REPORT OF THE GOVERNOR'S STUDY COMMITTEE ON STRUCTURE AND ORGANIZATION OF HIGHER EDUCATION

Submitted to

THE HONORABLE ROBERT W. SCOTT
Governor
State of North Carolina

By

LINDSAY C. WARREN, JR.
Chairman

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GOVERNOR'S STUDY COMMITTEE
ON STRUCTURE AND ORGANIZATION OF HIGHER EDUCATION

May 17, 1971

The Honorable Robert W. Scott
Governor of North Carolina
Raleigh, North Carolina

Dear Governor Scott:

The Governor's Study Committee on Structure and Organization of Higher Education submits herewith its report.

The Committee has adopted a report which recommends the creation of a new state-level coordinating body for higher education to be known as the Board of Regents of the University of North Carolina System. It further recommends that each of the 16 public senior institutions be governed by a separate board of trustees.

Six of the Committee members have filed a minority report which is incorporated as a part of this report. Two of the members, Senator Wood and Mr. Stewart, voted with the minority but have not joined in the minority report. Dr. Semans abstained from voting.

A majority of the Committee believes that the recommendations contained in this report, if implemented by appropriate legislation, will in the long run bring to North Carolina a more efficient and effective system for planning, coordinating and governing public higher education.

Respectfully submitted,

Lindsay C. Warren, Jr., Chairman

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Trustee, University of North Carolina

George M. Wood
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Trustee, University of North Carolina

SUMMARY OF RECOMMENDATIONS

The plan recommended by the Committee provides an organizational structure that is centrally administered in those respects in which the interest of the state seems to require centralization of authority but that leaves a real measure of institutional autonomy. It might be called a plan for a "unified decentralized system." While the details of the plan are unique to North Carolina, it applies principles that have been tested and proven elsewhere.

It attempts to take the best features of the University of North Carolina and of the Board of Higher Education, to combine them into one board and to insure, both through membership on that board and through the constitution of the staff, full representation of the points of view of all the institutions in the system. The objective is to provide quality education, efficient use of resources and statewide planning and coordination, while maintaining institutional initiative and flexibility.

More specifically, the recommendations call for a 13-member governing board of trustees for each of the 16 public senior institutions. At the present there are ten such governing boards, in addition to the Board of Trustees of the University of North Carolina, which has governing authority over six campuses. New trustees for the present six campuses of the Consolidated University would be drawn primarily from the present University Board of Trustees. The method of selecting the board of trustees of each of the other institutions would remain unchanged, except that the president of the student body would become a member ex officio in accordance with legislation just adopted by the 1971 General Assembly. All institutional trustees, except the student body presidents, would in the future be appointed for staggered terms by the Governor, subject to confirmation by the General Assembly, as is presently the plan for the ten institutions.

The staffs and most of the coordinating functions of the General Administration of the University of North Carolina (the Consolidated University) and of the Board of Higher Education would be merged into a new state planning and coordinating agency, The University of North Carolina System.

A policy-setting Board of Regents composed of lay citizens representing every area of the state would be created. Although a smaller Board may be preferable, the Committee suggests, for practical reasons, a Board of 100 elected members chosen by the General Assembly, in addition to a number of ex officio members. The initial Board would be made up of persons from the present institutional boards and from the present Board of Higher Education.

The institutional boards of trustees would hold property and enjoy all the powers now accorded trustees which are not otherwise delegated to the Board of Regents of the University of North Carolina System.

The University of North Carolina System would have as its major purposes those now assigned to the Board of Higher Education, i.e. statewide planning and coordination of higher education. To carry out coordination, it would have stronger powers in approval of new degree programs and in review of budgets. Appropriations would be made by the General Assembly directly to the individual institutions. Each institution, including those within the present Consolidated University, would be headed by a president, who would be elected by the institutional board of trustees, subject to confirmation by the Board of Regents.

In the opinion of the Committee, the Board of Higher Education and the Consolidated University have both made significant contributions to higher education in North Carolina. The recommendations, by directing the staffs of

these two organizations to a single purpose, should enable the state to move on, effectively and economically, to new accomplishments in higher education.

The recommended plan is designed to maintain a proper balance between authority to govern institutions (by independent boards of trustees) and statewide planning and coordination (by a Board of Regents). To do less than what is recommended will only perpetuate the existing conflicts. To do more would overcentralize authority. The recommended balance we believe to be appropriate to North Carolina, in keeping with our traditions, and a practical solution to our critical problems in higher education.

I. INTRODUCTION

At a meeting held on December 13, 1970, in the Executive Mansion, Governor Scott expressed concern over the problems facing higher education in North Carolina to an invited group of trustees of the senior institutions of higher education and representatives of the State Board of Higher Education. Specifically, he pointed to the present organization and structure of public higher education arising from a series of legislative enactments adopted by the 1965, 1967 and 1969 General Assemblies. He expressed the belief that many of the problems facing public higher education result from a lack of effective state-level planning and coordination. He challenged those present to find a solution which would return order and harmony to higher education in North Carolina.

In January, 1971, the Governor announced the appointment of a 23-member Governor's Study Committee on Structure and Organization of Higher Education, consisting of trustee representatives from all the public senior institutions of higher education and members from the State Board of Higher Education. The basic mission of the Committee was to study and make recommendations to the Governor concerning the structure and organization of the system of public higher education. Perhaps this mission is best expressed in the 1962 Report of the Governor's Commission on Education Beyond the High School (referred to hereinafter as the report of the Carlyle Commission):

> "The public system of post-high school education is going to grow. The times demand it. It is essential that such growth be well planned and coordinated if the public's investment of money and energy is to produce maximum returns

in terms of educational services to the people of the state. The state must have, in short, a functioning system of public higher education and not a mere aggregation of independent institutions, each pursuing its own conception of the public interest."

In preliminary remarks to the Committee at its organizational meeting on January 15, 1971, Governor Scott asked the members to give careful consideration to all alternatives, to look outward to the broad realm of higher education, both public and private, to put themselves in an open frame of mind, and not to become bogged down in details and legalistic matters. The Governor also suggested that the Committee not hold public hearings, but rather call in those persons best qualified to make significant contributions to the deliberations. In general, the Committee adhered to these suggestions.

II. WORK OF THE COMMITTEE

Since the original meeting, the Committee has met on ten different occasions. All meetings were held on weekends and lasted at least two days. With the exception of one meeting in Southern Pines, all meetings were held in Raleigh. Staff assistance was rendered to the Committee by Mr. Frank R. Justice, Assistant State Budget Officer, Department of Administration, Raleigh, and Mrs. Robert H. Howell, who is attached to the Governor's Office. In addition, the Committee retained as consultant, Dr. James L. Miller, Jr., Professor of Higher Education and formerly Director of the Center for Study of Higher Education, University of Michigan, Ann Arbor. Dr. Miller is a distinguished scholar in the field of higher education and rendered valuable services to the Committee. During the deliberations, the Committee invited and received written statements from the presidents of the senior public institutions relating to various aspects of its work. In addition, the presidents and the Director of Higher Education appeared personally before the Committee. The Committee also heard from Dr. Norman Wiggins, President of Campbell College, in his capacity as President of the North Carolina Association of Independent Colleges and Universities.

The Committee began its work with a review of the history of recent developments in higher education in the State. Most of this information was furnished by the staff of the Board of Higher Education at the request of the Committee. Inasmuch as the information provides historical background that is necessary to an understanding of current problems, a condensed version of it is included here.

III. RECENT HISTORY OF PUBLIC HIGHER EDUCATION

A. The University of North Carolina

Prior to 1931 all the planning of higher education in North Carolina was done on an institutional basis. The public institutions went singly to the Legislature for funds, and private institutions sought funds individually from private sources. The colleges and universities operated independently, each pursuing its own conception of the public interest and each planning its own educational programs and setting its own goals for the future. There was no administrative mechanism for coordination. Such coordination as existed was a by-product of the appropriations process of the legislature.

The concept of a single state-supported university composed of several campuses, governed by a single board of trustees and administered by one president, was enacted into law by the General Assembly of 1931. A "Consolidated University" was formed by uniting three institutions--the University of North Carolina at Chapel Hill, the North Carolina State College of Agriculture and Engineering at Raleigh, and the North Carolina College for Women at Greensboro. The single university was designated "The University of North Carolina," and it was expected that, through planning and coordination, the Consolidated University would effect important economies and strengthen academic programs by reducing unnecessary duplication. The other public colleges in the State remained under individual governing boards and continued to operate separately.

In 1963, based on recommendations of the Carlyle Commission, the General Assembly restricted the authority to offer doctoral programs in the public sector to the three campuses then existing of the University of North Carolina and established procedures whereby additional campuses might be added to the University.

Policy for the University of North Carolina is determined by a Board of Trustees having 100 legislatively-elected members and several ex officio and honorary members. The membership must include at least ten women. Each General Assembly elects 25 trustees for eight-year terms. The Governor serves as chairman, the State Superintendent of Public Instruction is a member ex officio, and all former governors serve as honorary members for life. With control over property and authority for budget approval, personnel management, and program endorsement, the Board of Trustees works through a 15-member executive committee with power to develop policies and a number of standing committees with specific responsibilities.

Asheville-Biltmore College, Charlotte College and Wilmington College were converted from community colleges to public senior colleges by action of the 1963 General Assembly. Charlotte College became the fourth campus of the University of North Carolina on July 1, 1965, following authorization by the 1965 General Assembly. Asheville-Biltmore College and Wilmington College became the fifth and sixth campuses of the University of North Carolina on July 1, 1969, following authorization by the 1969 General Assembly.

At present three units of the University of North Carolina--Chapel Hill, Raleigh and Greensboro--offer programs at the doctor's level. The Charlotte campus offers programs only through the master's level. The Asheville and Wilmington campuses offer only baccalaureate degree programs.

B. Regional Universities

After World War II the single-purpose, teacher-education public colleges outside the Consolidated University of North Carolina progressed through several stages of development to become general-purpose institutions. In 1967 the General Assembly, against the advice of the Board of Higher Education, re-designated four of the public senior colleges as regional universities effective July 1, 1967. The four institutions re-designated were (1) Agricultural and Technical College of North Carolina as North Carolina Agricultural and Technical State University, (2) Appalachian State Teachers College as Appalachian State University, (3) East Carolina College as East Carolina University and (4) Western Carolina College as Western Carolina University.

The primary purpose of each regional university, as specified by the 1967 legislation, was the preparation of young men and women as teachers, supervisors and administrators for the public schools of North Carolina. The institutions were authorized to offer work through the master's degree. They could also offer instruction in the liberal arts and sciences, through the master's level, and could conduct research that would increase their abilities to carry out and enlarge their responsibilities as approved by the Board of Higher Education.

Other institutions that for at least ten years had been authorized to grant the master's degree were authorized by the 1967 legislation to apply to the Board of Higher Education requesting redesignation as regional universities, subject to final approval by the Legislature.

The 1967 General Assembly also specified that "not later than July 1, 1972, the State Board of Higher Education . . . shall study the effectiveness of the regional universities and their proper future role and status in the State system of public higher education, and shall make a report to the General Assembly

setting forth its findings and recommendations on that subject. This study shall include, but not be limited to, consideration of the continuation of the existing arrangements, the establishment of a single board of trustees for all regional universities, and the conversion of one or more of the regional universities into campuses of the University of North Carolina."

The 1969 General Assembly, in addition to converting Asheville-Biltmore College and Wilmington College into the fifth and sixth campuses of the University of North Carolina, redesignated five additional public senior colleges as regional universities, effective July 1, 1969. This action was not endorsed by the Board of Higher Education, except in the case of North Carolina College at Durham, which, the Board reasoned, should be given the same title enjoyed by the other five-year institutions in the system. The institutions whose designations were changed in 1969 were 1) Elizabeth City State College as Elizabeth City State University, 2) Fayetteville State College as Fayetteville State University, 3) North Carolina College at Durham as North Carolina Central University, 4) Pembroke State College as Pembroke State University and 5) Winston-Salem State College as Winston-Salem State University. This action increased to nine the number of regional universities in the state. The North Carolina School of the Arts at Winston-Salem remained as the only institution in the public system offering a senior college program that had not been designated a regional university or a campus of the University of North Carolina.

The 1969 General Assembly also revised the purposes of the regional universities to make them virtually as broad as the purposes of the Consolidated University, specifying that the institutions 1) "shall provide undergraduate and graduate instruction in the liberal arts, fine arts, and sciences, and in

the learned professions, including teaching, these being defined as those professions which rest upon advanced knowledge in the liberal arts and sciences;" 2) "shall provide for research in the liberal arts and sciences, pure and applied;" 3) "shall provide other undergraduate and graduate programs of instruction as are deemed necessary to meet the needs of their constituencies and of the State" and 4) "insofar as possible shall extend their educational activities to all persons of the State who are unable to avail themselves of their advantages as resident students by means of extension courses, by lectures, and by such other means and methods as may seem to the boards of trustees and administrative officers as most effective."

The 1969 General Assembly amended the legislation enacted by the 1963 General Assembly which had restricted the authority to offer doctoral programs to the University of North Carolina. The 1969 Assembly granted each regional university the power of conferring all college or university degrees including the doctor's degree. The offering of doctoral programs was made subject to the approval of the Board of Higher Education and was not to be initiated before completion of the study that the Board was required to make by 1972 of the role of the regional universities.

At present five of the nine regional universities are offering the master's degree. They are Appalachian State University, East Carolina University, North Carolina Agricultural and Technical State University, North Carolina Central University and Western Carolina University. The four other regional universities are offering only the bachelor's degree. They are Elizabeth City State University, Fayetteville State University, Pembroke State University and Winston-Salem State University.

C. North Carolina School of the Arts

The North Carolina School of the Arts in Winston-Salem was created by the 1963 General Assembly as a special-purpose institution, enrolling students from junior high school through college. It is authorized to offer the baccalaureate degree and is governed by a separate board of trustees.

D. Board of Higher Education

Statewide planning and coordination of higher education in North Carolina, except for that provided by the Consolidated University of North Carolina for institutions within its framework and that provided by the Legislature and Governor, did not occur until the mid-1950's. In 1955 the General Assembly created the Board of Higher Education. Since then the Board has sought to effect planning and coordination of higher education on a state level. The Board evolved from a Joint Resolution of the 1953 General Assembly which created a Commission on Higher Education to make a "study of all institutions of higher education supported by state funds" and instructed the Commission to report its findings and recommendations to the 1955 General Assembly. The Commission's first recommendation was that a Board of Higher Education be created. Acting upon the Commission's recommendations, the 1955 General Assembly created by statute the North Carolina Board of Higher Education with the primary purpose "to promote the development and operation of a sound, vigorous, progressive, and coordinated system of higher education in the State of North Carolina."

The legal status of the Board of Higher Education has undergone several legislative amendments through the years since its establishment. Changes have pertained largely to the purpose, powers, and membership of the Board and in general have resulted in a lessening of the authority of the Board. In this respect, the General Assembly of 1959 amended the purpose of the Board to read "to plan and promote the development of a sound, vigorous, progressive and coordinated system" and to state that the Board should pursue this objective through "the cooperation of all the institutions of higher education . . . each

operating under the direction of its own board of trustees in performance of the functions assigned to it." The General Assembly of 1959 also amended the budgetary authority of the Board, making this function more advisory and less regulatory. The budgetary role was further weakened by the General Assembly of 1965, which amended the law to direct that "the Board shall concentrate on broad fiscal policy and avoid a line-by-line detailed review of budget requests."

In further lessening the authority of the Board, the General Assembly of 1959 limited the Board's power to "prescribe uniform practices and policies" to one of prescribing "uniform statistical reporting practices and policies" and specifically gave the individual institutions the right of appeal to the General Assembly in cases where the Board sought to require an institution to discontinue an existing function or activity.

Legal changes in membership and powers which tended to strengthen the relationship of the Board to both the public institutions and the General Assembly were enacted by the General Assemblies of 1965 and 1969.

The 1965 Legislature enlarged the Board membership from nine to 15 members by adding two members selected by the Board of Trustees of the University of North Carolina from its membership and four members selected from boards of trustees of four public senior colleges (the Governor specifying the colleges, now universities, to be represented in rotation).

The 1969 Legislature further enlarged the Board membership from 15 to 22 members by adding as ex officio members the Governor as chairman of the Board and the six chairmen of the Senate and House Committees on Appropriations, Finance and Higher Education.

The 1969 Legislature also revised the powers of the Board by explicitly requiring that no public senior institution "request from the General Assembly, the Advisory Budget Commission, or any other state agency approval of, or funding for, any new degree program or educational function or activity until the same has been approved by the board of trustees of the institution and acted upon, in accordance with regularly established procedures, by the Board of Higher Education."

IV. GOALS OF HIGHER EDUCATION IN NORTH CAROLINA

With this history firmly in mind, the Committee next addressed itself to the task of trying to reach agreement on the goals of higher education in North Carolina. As used by the Committee, the term "goal" is defined as a desired state of affairs. Attached to this report as Appendix A is a statement on goals unanimously adopted by the Committee. Although the stated goals are by definition idealistic, the Committee believes each goal to be attainable within the framework of an efficient and effective system of higher education.

V. PROBLEMS OF HIGHER EDUCATION IN NORTH CAROLINA

What are the problems facing public higher education in North Carolina today? How did they arise? What problems may hinder North Carolina from achieving the goals adopted by the Committee?

These are some of the questions the Committee asked itself. Indeed, it was felt that the Committee could not intelligently approach its task without seeking to identify the principal problems that afflict the system today. Many viewpoints were expressed within the Committee, and while no formal statement of problems was adopted by the Committee, the following are among the chief difficulties now facing public higher education:

(1) The present statutory powers of the Board of Higher Education limit its authority to coordinate higher education effectively. The statutes give the Board a very limited role in review of budgets for higher education. Further, the statutes, as they presently exist, do not give the Board the right to approve new degree programs but merely say that requests for new programs must be "acted on" by the Board before they are presented to the General Assembly. In general the statutes have the effect of encouraging educational decisions to be made in the political arena rather than by the agency that has been designated to coordinate higher education. Burdened with these limitations, the Board's efforts to coordinate have led to friction and conflict between the Board and individual institutions.

Furthermore the General Assembly has not always looked to the Board for guidance. On occasions it has overridden recommendations of the Board when institutions have sought legislative redress. In addition, under our present

system, there are other State agencies involved in making higher educational decisions with little, if any, involvement of, or participation by, the Board.

Recognition and statement of the problem are not to be construed as an indictment of the Board or its staff. In recent years, with additional appropriations for staff and research, the Board has rendered excellent service in planning and research for higher education. Its rapport with the General Assembly has improved measurably; yet it must be conceded that in its present posture the Board does not have the authority or influence necessary to coordinate higher education effectively.

(2) The state faces the real possibility of further duplication and overlapping in graduate degree programs. In 1963 the Governor's Commission on Education Beyond the High School recommended a pyramid structure of higher education with doctoral granting institutions at the apex and community colleges at the base. At that time only the University of North Carolina with its campuses, then three in number, was authorized to award the doctoral degree. Legislation adopted by the 1969 General Assembly, gives to all regional institutions beginning in 1972, as well as to the six campuses of the University of North Carolina--a total of 15 institutions--the legal authority to award the doctoral degree subject only to the prior approval of the Board of Higher Education. No other state in the union can boast of such a dubious distinction. It can be seen that in the short period of six years, the concept of a pyramid structure has been completely abandoned in North Carolina. A proliferation of expensive, unneeded doctoral programs would be a tragic mistake for the state. The dimensions of this problem can be seen when it is realized that the costs of doctoral programs often range from 10 to 20 times the costs of undergraduate programs.

(3) Each institution submits a separate budget to the Advisory Budget Commission and the General Assembly. As has been pointed out, at the present time the Board of Higher Education does not have effective authority to review the individual budgets of the institutions, coordinating them with each other and relating them to the educational needs and resources of the entire state. In fact, the Board is expressly prohibited from detailed budget review. The emphasis under the present system is on what each institution considers to be its needs, which are not necessarily synonymous with statewide goals, needs and priorities.

In no other major area of state service is there a similar lack of state-level review in budget planning. Although budget review by the central office of the Consolidated University provides coordination for its six units, no educational agency has equal authority to coordinate the budget of the Consolidated University with the other ten institutions.

To enable it to perform effectively its function in making wise appropriations for higher education, the General Assembly, now more than ever, needs the expert educational judgment of a single agency with a statewide viewpoint. Too often in the past, decisions on appropriations have been made for political rather than educational considerations. Anyone who has served in the General Assembly can attest to this fact.

(4) The present North Carolina system is structurally unsound. North Carolina now has two coordinating agencies, one for six institutions (the Consolidated University) and one for those six plus the ten other public senior institutions (the Board of Higher Education). This "system within a system" arrangement has in the past produced tensions and conflicts of authority between the two agencies.

Some of the points of conflict were identified for the Committee by persons who appeared before it. Also, as discussed later, the arrangement results in wasteful duplication of effort. Continuing conflict seems inevitable as long as the existing structure remains.

Furthermore the rise of the regional universities to general-purpose institutions with statutory authorization of purpose virtually indistinguishable from the authorization given to the Consolidated University makes rivalry and conflict between the regional universities and the Consolidated University unavoidable. While rivalry and competition per se may not be bad, without state-level planning and coordination they can be extremely wasteful of the state's resources.

(5) The present system does not make effective use of resources. Of the 759 graduate degree programs offered by the nine graduate-level institutions, only 27 percent produced five or more graduates during the 1969-70 academic year. At the master's level 44 percent of the degree programs produced no graduates at all. At the doctor's level 31 percent produced no graduates. The doctor's degree was offered in a total of 115 programs last year; only 32 of them had as many as five graduates.

In a number of subject areas, particularly at the master's level, there is unnecessary duplication of degree programs with resulting low productivity. In one subject area, for example, graduate degrees are offered by nine institutions, but last year only six of the nine produced as many as five graduates. In another area, in which instruction and facilities are expensive, eight institutions offer graduate degrees; last year five of these institutions produced four or fewer graduates.

Two years ago the institutions, in submitting long-range plans, indicated that by 1975 they expected to request a total of 166 new degree programs at the master's level and 30 new programs at the doctor's level.

The unproductive programs are not in every case costly to the state, and some of them, even though costly, are needed to support more productive programs, both at the graduate and undergraduate levels, and thus are fully justified. Yet the large number of programs in which production is low, and particularly those that are duplicated on a number of campuses, suggests the necessity for a statewide analysis of the state's real needs in the various program areas, as well as for effective statewide authority over programs.

In a number of fields today Ph.D.'s are graduating from expensive programs but finding it impossible to get employment in their chosen fields; at the same time qualified students are unable to attend college because of a shortage of student financial aid estimated at $29 million.

Institutions have generally not determined unit costs for their various operations and usually are unable to state what a specific degree program costs. Without such information it is impossible to determine the full extent of efficient use of resources.

Requests for appropriations of $140 million to build new instructional facilities are currently before the legislators in the face of classroom utilization rates at most institutions below the nationally recognized norms.

These examples are only a few of the many that could be given to illustrate the fact that the system fails in significant ways to make efficient use of resources.

The listing of problems in this chapter is not intended to be exhaustive. To be sure, there are others. But the Committee believes these to be among the major problems requiring thoughtful attention and action.

VI. SOLVING THE PROBLEMS

North Carolina is not unique in the problems it faces in higher education. Most states either have faced, or will face, similar difficulties. There is no single simple solution. Each state must find its own solution within the context of its unique history and heritage. Nevertheless, knowledge of what other states have experienced in organizing and structuring their public systems of higher education can be of value.

With the guidance of Dr. Miller, who has made special studies of the structure and organization of higher education in many of the states, the Committee undertook a review of structural arrangements adopted by other states relating to the governance and coordination of public higher education. An effort was made to identify the strengths and weaknesses of the various state-wide systems. Out of this review, three basic structural plans emerged, two of them with variations. Without detailed elaboration, these structural plans are as follows:

Plan I - A single state-level governing board for all institutions. Perhaps the best known example of this structural form is the Georgia Board of Regents. Under the Georgia plan, coordination is accomplished by the single state board. No institution has a separate board of trustees. All governance for each institution emanates from the same state-level board. Such a board usually exercises absolute program and budget powers. State funds are appropriated directly to the state-level board in a lump sum for reallocation to the individual institutions.

Plan II - A system of systems arrangement with a state-level planning agency. There are two variations:

A. Unlike institutions grouped under two or more governing boards. The Consolidated University is now composed of unlike

campuses, three of which offer doctoral-level work, one of which awards the master's degree in certain disciplines, and two of which offer only undergraduate programs. Adaptation of this plan for all of North Carolina would require a grouping of the regional universities and the School of the Arts under a single board of trustees, resulting in two consolidated universities, one being the present Consolidated University and the other consisting of the ten institutions that now have independent boards.

B. Institutions of like types and function grouped under separate governing boards. In the top tier all doctoral granting institutions are grouped under one governing board. In the second tier all four- and five-year institutions are grouped under one board, and in the third tier all community colleges are grouped under a board. This is the present California system. California has a small state-level agency engaged primarily in research. To adapt this plan to North Carolina would require a realignment and regrouping of institutions.

Plan III - Separate governing boards of trustees with a strong state-level coordinating board having budget and program review powers.

There are two variations of this plan:

A. A combination of institutional boards and multi-campus boards. This is the present North Carolina structure, with one governing board for the six campuses that comprise the Consolidated University and separate governing boards for each of the nine regional universities and the School of the Arts.

B. Separate governing boards for each institution. Adoption of this structural form in North Carolina would result in a separate board of trustees for each of our 16 institutions, including the six campuses of the Consolidated University. Ohio has effectively used this structure.

The Committee spent much time in discussion of the advantages and disadvantages of the various structural forms. It soon became apparent that fundamental differences of opinion existed within the Committee. Some members of the Committee preferred no structural change. Others, a majority as the final vote indicates, favored structural change. Unanimous support existed for the preservation and enhancement of the existing strengths of the institutions in North Carolina. Disagreement occurred over which means to that end would prove most effective.

The Committee felt that in whatever recommendations it made educational merit should prevail over political or emotional considerations.

Plan I, the single, state-level governing board, was rejected by the Committee on the grounds of overconcentration of authority and loss of individual boards of trustees and institutional identity and on the further ground that the number of institutions would be too large to manage effectively.

A review of the experience in other states supported all of these conclusions. The Committee noted that in other states the single governing board has often found it difficult to stay attuned to the needs of all member institutions. It noted further that there tend to be wide variations in the amount of attention given different institutions, that it is difficult to assure that all types of institutions are fully heard and that planning tends to be neglected because of the heavy administrative demands for the staff's time.

Moreover the Committee felt that some degree of institutional autonomy was desirable. A climate should be maintained that encourages initiative and innovation at the local level. Separate boards of trustees can serve to bolster this initiative and to maintain desired diversity.

The Committee also considered and discussed at length Plan II A, unlike institutions grouped under two or more governing boards.

When consolidation of the University was accomplished in 1931 it consisted of three somewhat similar institutions, easily distinguishable by the nature of their course offerings from the other public institutions. On recommendation of the Carlyle Commission, the General Assembly in 1963 formalized the concept of an educational pyramid with the doctoral-level institutions at the apex, a tier of master's-level institutions and a third tier of baccalaureate-level institutions, with the broad base resting in the community college system, including technical and vocational training. This concept was first violated by the entry of Charlotte College as the fourth campus of the Consolidated University in 1965 at a time when the College had just awarded its first bachelor's degrees.

Today the Consolidated University constitutes an entire educational "system" within the larger statewide system, in that it has institutions which offer advanced graduate and professional degrees, an institution which currently awards degrees only through the master's level and two institutions which do not offer programs beyond the baccalaureate degree.

The Committee also noted that each institution within the Consolidated University must "make its case twice" when seeking appropriations or new degree programs. Degree proposals, which have already been subjected to analysis and screening on the individual campus, must then clear the Consolidated Office and

afterwards be subjected to further evaluation on a statewide basis by the Board of Higher Education. The Committee saw this as unnecessary and wasteful duplication of effort.

The Committee was concerned about what happens to the smaller institution within a system of governance like that of the Consolidated University when that system is dominated by one or more large, prestigious institutions. Evidence in other states is that often the grouping of such unlike institutions inhibits the development of smaller institutions, and that the absence of local boards of trustees can prove to be, in effect, absentee ownership and management.

Plan II A, which would result in two "consolidated systems" under a general coordinating agency, was eventually rejected by an overwhelming vote. Three major disadvantages were seen in the plan:

1) It would formalize the present division between the Consolidated University and the other institutions, thus heightening the probability of conflict.

2) It would deprive ten institutions of their individual boards of trustees which, in the opinion of the representatives of those institutions, had proved an invaluable asset, and would substitute instead a second "system within a system."

3) Coordination between the two major groups would be made more difficult than at present as each system would be a powerful political entity which would be tempted to bypass the coordinating agency.

Plan II B, <u>institutions of like types and functions grouped under separate governing boards,</u> was also eliminated. This plan would have required a governing board for doctoral-level institutions, one for master's-level

institutions and one for bachelor's-level institutions. The Committee took note of the danger of creating too many doctoral granting institutions. It was aware of the current over-production of Ph.D.'s in some fields and the large number of doctor's and master's programs in North Carolina with low productivity. The Committee appeared to be in complete accord with the view that the state's need for advanced graduate and professional degree programs could be met by the three institutions now awarding such degrees, with only limited extension of such authority to other institutions in the foreseeable future. This view is supported in principle by national studies, such as those recently published by the American Council on Education[1] and by the Southern Regional Education Board.[2]

Although it was recognized that Plan II B might help the state to avoid excessive development of advanced graduate schools, the plan was rejected by the Committee. There was overwhelming opposition to elimination of individual boards of trustees for the regional universities and strong opposition to returning the composition of the Consolidated University to its pre-1965 status, i.e. to three doctoral-granting institutions.

Plan III A, a combination of institutional boards and of a multi-campus board, which is our present structural arrangement in North Carolina, was discussed at length.

Particular attention was given to the possibility of redefining and strengthening the role of the Board of Higher Education, as the existing coordinating agency for the state, without making any structural changes. Eventually the Committee concluded that such a course of action would be only second-best.

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[1]Kenneth D. Roose and Charles J. Andersen, A Rating of Graduate Programs, American Council on Education, 1970, 115 pages.

[2]Lyman A. Glenny, "Doctoral Planning for the Seventies: A Challenge to the States," Effective Use of Resources in Higher Education, Southern Regional Education Board, 1970, p. 3.

The state would be left with "a system within a system"--the statewide system and the Consolidated University--both of which would be coordinating within their allotted spheres. Continued duplication and conflict would be inevitable. Not only does the present system make inevitable conflicts between the statewide coordinating agency and the Consolidated University, it also fosters conflicts between the Consolidated University and the other institutions. This is to be expected in a system where one governing board controls so large a proportion of the students, the resources and the political strength. In addition, the Committee felt that the present system has the disadvantage of depriving the campuses in the Consolidated System of independent administrations and boards of trustees.

To summarize, the Committee was convinced that many of the problems of higher education in North Carolina are inherent in the organizational system. The state cannot eliminate the problems by continuing the structure that has given rise to them.

The remaining alternative was Plan II A, separate governing boards of trustees for each institution with a strong state-level coordinating board having budget and program review responsibilities. This is the plan that the Committee concluded is best for North Carolina, and it is the plan recommended to the Governor.

In summary this plan provides an organizational structure that is centrally controlled in those respects in which the interest of the state seems to require central control but that leaves a real measure of institutional autonomy. It might be called a plan for a "unified decentralized system." It avoids over-concentration of power. While the details of the plan are unique to North Carolina, it applies principles that have been tested and proven elsewhere.

It takes the essential coordinating features of the present University of North Carolina, which basically are seen as two: program authority and budget authority, and extends them to all institutions. Thus in a real sense the plan proposed is not deconsolidation but rather is reconsolidation or extension of the essential features to all the institutions. Yet there is an important difference between consolidation as it now exists and consolidation as proposed: the Board of Regents would not be a governing board; rather it would be a coordinating board, and considerably greater freedom would be allowed to the individual campuses than is now possible within the Consolidated University.

The objective of the structure suggested is to provide for the state education of high quality, efficient use of resources and the advantages of statewide planning and coordination, while maintaining institutional initiative and flexibility.

VII. EXPLANATION OF PROPOSED STRUCTURAL CHANGES*

The recommended plan provides for a statewide coordinating agency and 16 boards of trustees, one for each of the public senior institutions. The coordinating agency is given those powers that are considered necessary to effective state-level planning and development; all other powers are left to the institutional boards of trustees. The new structure would become effective July 1, 1971.

The name suggested for the state-level coordinating agency is "The Board of Regents of the University of North Carolina System" (116-2; 116-3). The Committee felt that there would be advantages in having a board smaller than the present Board of the University of North Carolina, consisting of more than 100 members. A smaller board would make possible greater involvement of the individual members, would be more effective as a body and less dependent on an executive committee. It may be that the Governor and General Assembly will prefer a smaller board. Recognizing resistance to change, however, the legislation as drafted provides for a Board of 100 members elected by the General Assembly and of certain ex officio members (116-5(a)). This large Board allows for full representation of all the various elements and institutions within the system. It is approximately the same size as the Board of the present University of North Carolina.

The initial group of 100 elected members of the Board of Regents would consist of at least 36 persons from the present Board of the University of North Carolina, at least 36 from the present boards of the regional universities

*A draft of the basic statutes implementing the new structure is set out in Appendix B. References in this chapter are to sections of that draft.

and the School of the Arts and at least 15 from the present Board of Higher Education (116-5(a)). This arrangement insures that no institution or group of institutions would be in a dominant position. Provision is made for representation on the initial Board of Regents by representatives of each of the 16 institutions (116-5(a)), and provision is also made for representation of women and racial minorities (116-5(b)).

The Governor would serve as chairman of the Board (116-5(a)(1)).

Provision is made for an executive committee with broad powers whose members would serve for staggered and limited terms (116-8).

All institutions in the system, including the six that are now in the Consolidated University, would be permitted to maintain their present names (116-2; 116-3).

The regional universities and the School of the Arts would each continue its present board of trustees (116-21). For the six campuses within the Consolidated University, individual boards of trustees would be created (116-22). Each of these would consist of 13 members, 12 of whom would be appointed by the Governor for eight-year overlapping terms, subject to confirmation by the General Assembly (116-23). At least eight of the initial group of 12 appointed members of each of these six boards would be persons who are now on the Board of Trustees of the Consolidated University (116-23(b)). In this way 48 of the present trustees of the Consolidated University would be serving on institutional boards, and at least 36 of them would serve on the Board of Regents, making a total of 84. Thus nearly all of the present members of the Board of Trustees of the Consolidated University would continue to serve in some capacity.

The property of the six campuses of the Consolidated University, now all held by the Board of Trustees of the University, would be transferred

by operation of law to the new institutional boards of trustees, each institutional board taking title to the real and personal property that has heretofore been held for the benefit of that institution (116-22). The chief executive officer of each of these six institutions would be designated "president" (116-24(5)d).

The Board of Regents would be charged with developing and updating, from time to time, a plan for higher education (116-9(1)). It would have clear authority to approve new academic programs, to approve the establishment of any new campuses or extension centers and to approve any other major educational activity (116-9(2) and (4)). The Board of Regents could recommend that institutions discontinue unproductive programs (116-9(3)).

The Board would be prohibited from authorizing any institution to award the doctor's degree, except the three already awarding it, until the Board had made a statewide study of the need for additional doctoral work, of the capability of the various institutions to offer work of high quality and of the capability of the state to support the work adequately (116-9(2)).

The Board would review institutional budgets and make recommendations on them to the Advisory Budget Commission and the General Assembly (116-9(8)). The principal forum for examination of institutional requests would be the Board of Regents; in this way financial recommendations, based on statewide needs, would be made in conjunction with educational decisions. The Advisory Budget Commission and the General Assembly would continue to exercise review of all budgets for higher education.

Experience of businesses and of most state agencies is that the key to effective coordination is adequate budgetary authority. The powers suggested

for the Board of Regents are considered to be minimal and absolutely essential to effective planning and coordination. In no event should these powers be reduced.

The Board of Regents would have certain other specified powers, most of which are currently exercised by the Board of Higher Education (116-9).

All powers not specified would inure to the institutional boards of trustees (116-11). The institutional trustees would hold title to institutional property (116-24(5)a and b), would elect the president (subject to confirmation by the Board of Regents) (116-24(5)d), would appoint faculty members (116-24(5)d), would prepare and approve budget requests (116-24(5)g) and would generally manage the affairs of the institution (116-24(5)c).

The staff of the Board of Regents would be at least as large as the combined staff complements of the General Administration of the University of North Carolina and of the Board of Higher Education (116-13(b)). It would be anticipated that most, if not all, of the members of these two staffs would become a part of the new staff. Provision is made for representation on the staff at a high level of persons who are familiar with, and can speak for, each of the basic types of institutions in the system (116-13(b)).

The staff would be headed by a Chancellor to be elected by the Board of Regents (116-13).

The Chancellor and Board of Regents would be advised by a council of the public university presidents (116-12). The Chancellor is authorized to appoint a committee of representative presidents of private colleges and universities and to appoint such other advisory committees as the Board of Regents might approve (116-13(c)).

The location of the office of the Board would be in Raleigh or in such other place as might be designated, so long as it is not on the campus of any one of the 16 institutions or closely identified with any institution (116-13(d)).

The Board of Regents of the University of North Carolina System would be the legal successor to the Board of Trustees of the University of North Carolina (116-4). The System would comprise all 16 institutions and together would constitute the University of North Carolina as provided for in the Constitution (116-3).

VIII. CONCLUSION

In 1931 the creation of the Consolidated University marked a new and radical departure in the organization of higher education. Nothing quite like it had been tried in the United States. It took the imagination and foresight of Governor O. Max Gardner and others, in the face of strong opposition, to accomplish consolidation.

At that time the total enrollment at all public senior institutions in the state was just over 8,000. Today the enrollment is ten times as great. Three institutions in the system today each have enrollments in excess of the enrollment of the total system in 1931--the University in Chapel Hill with 18,000, North Carolina State University with 13,000 and East Carolina University with 10,000.

The total state budget for the institutions of higher education in the year 1931-32 was $1,452,000. In the current fiscal year the public senior institutions are expected to spend from tax funds alone approximately $142 million, nearly 100 times as much as they spent in 1931-32.

If consolidation was an appropriate solution to the challenges, financial and educational, that faced the state in 1931, the extension of its underlying principles is even more appropriate in 1971. If the threat of costly and unnecessary duplication and the lack of coordinated planning were compelling arguments then, how much more compelling they are now, with our large and complex system.

In 1955 Governor Hodges, realizing the need for statewide coordination, led in the creation of the Board of Higher Education. Prior to that time the Consolidated University was the only educational agency that was coordinating

any part of higher education in the state. Since then, its coordinating function has been duplicated, at least in substantial part, by the Board of Higher Education. Its governing function has, of course, not been duplicated, but the Committee has concluded, after reviewing the experience of our own state and of others, that the six institutions that comprise the Consolidated University would benefit from having the governing function transferred to institutional boards.

No one should confuse the administrative entity, the office of the Consolidated University, with the six educational institutions whose operations it oversees. It is the six institutions, not the Consolidated University, that educate students, award degrees and engage in research and public service. It is the six institutions that have educational reputations and prestige. It is Chapel Hill, not the Consolidated University, that became a member of the prestigious American Association of Universities in 1922, nine years before the Consolidated University was created. It is the reputations of the component campuses that are known in the academic and lay communities.

North Carolina has today two complex universities, the University at Chapel Hill and North Carolina State, each offering a wide range of advanced graduate and professional work. It is of great importance to the state that the excellence that now exists on those campuses be preserved and enhanced. The Committee is convinced that the system recommended will serve that purpose and will at the same time be in the best interest of the other institutions in the state.

The staff of the General Administration of the University of North Carolina and the staff of the Board of Higher Education have both made significant contributions to higher education in North Carolina. The recommendations, by directing

the staffs of these two organizations to a single purpose, should enable the state to move on, effectively and economically, to new accomplishments in higher education.

The recommended plan is based on intensive study of the experience of North Carolina and of other states. It is not radical in concept, but conservative. It is designed to maintain a proper balance between authority to govern institutions (by an independent board for each) and effective statewide planning and coordination (by a Board of Regents). We believe that it is in the best interest of the institutions, the students and the state.

To do less than what is recommended will only perpetuate the existing conflicts. To do more will overcentralize authority. The recommended balance is appropriate to North Carolina, in keeping with our traditions and a practical solution to our critical problems in higher education.

GOVERNOR'S STUDY COMMITTEE ON

STRUCTURE AND ORGANIZATION OF HIGHER EDUCATION

Minority Report

May 17, 1971

May 17, 1971

The Honorable Robert W. Scott
Governor of North Carolina

The Honorable Lindsay C. Warren, Jr.
Chairman of the Study Committee

Gentlemen:

Submitted herewith is the minority report with respect to the matters covered by the Governor's Study Committee on Structure and Organization of Higher Education.

It is our considered opinion that a radical change in the structure of our system of public higher education -- particularly a change involving deconsolidation of the University of North Carolina -- would not be in the best interests of the people of this State. The important considerations leading to this conclusion are set forth in the appended report.

It is our further opinion that the problems now confronting public higher education can be solved, without structural change, by clarifying and improving the statutes relating to the State Board of Higher Education. The means for accomplishing this are described in our report.

Eight members of the Committee voted in the minority. All of them, but two, wished to express their views on this matter in writing. Those who join the undersigned in submitting this report are Mrs. Mebane H. Burgwyn and Messrs. Ike F. Andrews, Archie K. Davis, Clyde A. Shreve and Thomas J. White, Jr.

They join me in acknowledging the patience and courtesy of our able Chairman.

Respectfully,

Victor S. Bryant

Victor S. Bryant

I. PROCEEDINGS OF THE WARREN COMMITTEE.

In January, 1971, Governor Scott announced the appointment of the Governor's Study Committee on Structure and Organization of Higher Education. This Committee was chaired by The Honorable Lindsay C. Warren, Jr., of Goldsboro, North Carolina. The Committee was composed of twenty-two members and the Chairman.

The University of North Carolina, which accounts for 56% of all students enrolled in the State's senior institutions of higher education, was represented by a seven-member Subcommittee from the Executive Committee of the University's Board of Trustees. The other public senior institutions, which in the aggregate account for 44% of the enrolled students, were represented by ten trustee members. The State Board of Higher Education was represented by five of its members.

The Committee held a total of eleven meetings, some lasting more than two days. The first was an organizational meeting. The next several meetings were devoted to an identification of the goals and problems of higher education in North Carolina.

During the course of those early meetings, it became evident that one group within the Committee was determined upon structural change which would deconsolidate the University of North Carolina. It became equally evident that another group within the Committee, convinced that the problems of higher education lay elsewhere, strongly favored preservation of the Consolidated University.

It became apparent that proposals for changes in Article 16 of Chapter 116 of the General Statutes should be developed. They appear

in the re-written version of Article 16 attached as the Appendix to this report.

The re-written Article 16 was submitted to a meeting of the Committee on April 3. After considering the matter, the members present voted, by 13 to 6, to accept that document as the recommendation of the Committee. Thereafter, the three persons absent from the April 3 meeting cast their votes against this proposal. This meant that initially the Committee had voted, by 13 to 9, to reject any structural change in higher education and to accept the revision of Article 16 as its recommendation.

Thereafter, for a period of three weeks, the Committee did not meet. The purpose of this interlude was to afford an opportunity for the drafting of a report setting forth the findings and recommendation of the Committee majority. The draft report was submitted to the Committee on April 23.

As it turned out, however, that report was not adopted. When the Committee reconvened on April 23, a Regency plan was introduced. Thereafter, a motion to reconsider was adopted and a subcommittee was appointed to reconcile differences. Two weekends later, following the report of the subcommittee, the members of the Committee, by 13 to 8, voted in favor of the Regency plan. Five members, who voted on April 3 against structural change and for the revision of Article 16, had changed their positions -- four by actual vote and one by abstention.

It became evident that a report reflecting the views of the majority and another report reflecting the views of the minority would be prepared for submission to the Governor.

II. RECOMMENDED SOLUTION FOR PROBLEMS OF HIGHER EDUCATION.

One of the important tasks of the Committee was to identify the problems facing public higher education in North Carolina, and several of the Committee's early sessions were devoted to this subject. Although no statement of problems was adopted, it became apparent to the members of the Committee that there were three paramount problems to be faced. Essentially, they related to the Board of Higher Education and the need for greater powers of program control and budget review.

In the view of the minority for whom this report speaks, the solution of those problems does not require structural change. It is our belief that the problems can be solved in a much easier and much less drastic way -- simply by making statutory changes giving the Board of Higher Education enlarged powers and changing its composition.

The proposed statutory changes are set forth in the Appendix to this report. They are described in the attachment to the Appendix.

III. REASONS FOR DISFAVORING THE REGENCY PLAN.

A. Outline of the Regency Plan.

The proposed Regency plan has two significant features. One is the establishment of a new coordinating body to take over the functions of the State Board of Higher Education. The other is the complete dismantling of the Consolidated University of North Carolina.

The new coordinating body would be called the Board of Regents of the University of North Carolina System and would be composed of one hundred members elected by the General Assembly and certain ex officio members, including the Governor who would serve as chairman. It would be required to meet three times a year. The Board would be authorized to appoint an Executive Committee of thirteen persons, including the Governor who would serve as Chairman. There would be a principal executive officer elected by the Board and designated as Chancellor.

Each of the sixteen public senior institutions of higher education would have a Board of Trustees and a President. The Board of Trustees for each institution would consist of twelve members appointed by the Governor plus the president of student government at that institution. This means that the nine Regional Universities and the School of the Arts would continue to have their present structural and governing arrangements. On the other hand, the structural and governing arrangements for the six institutions comprising the Consolidated University would be completely dismantled.

B. The Regency Plan Is Destructive.

Adoption of the Regency plan would destroy the Consolidated University of North Carolina. That destruction would be total and complete.

(1) Its Board of Trustees -- unlike the Boards of Trustees of the Regional Universities -- would be dismantled.

(2) Its forty years of history, customs, and traditions -- as one of the Nation's first multi-campus universities -- would be abandoned.

(3) Its accumulation of policies, rules and regulations -- as recorded in its Minute Books -- would be discarded.

(4) Its Code Provisions -- carefully developed over many years -- would become meaningless.

(5) Its Office of General Administration -- presided over by one of the Nation's most eminent educators -- would be abolished.

(6) Its various University-wide bodies -- its Administrative Council, its Graduate Executive Council, its University Advisory Council, and its Consultative Committee -- would be disbanded.

(7) Its many interinstitutional activities -- developed through many years of creative effort -- would lose their institutional leadership.

(8) Its accumulated properties -- acquired from various sources over the years -- would be taken over by a body for which they were never intended.

But that is not all. In the process of destroying the Consolidated University, the Regency plan would attempt to transfer to the proposed new coordinating board the hard-earned prominence and prestige of a great University.

(1) The name "University of North Carolina" would be appropriated to the use of another body.

(2) The stature of a great educational institution would be assigned to a coordinating agency with only a modicum of academic responsibility.

In short, the Consolidated University -- after more than forty years of productive service to the people of this State -- would be brought to an end and stripped of its good name.

C. The Regency Plan is Unnecessary.

Those who would thus destroy the Consolidated University have maintained that only by adopting the Regency plan can the problems of higher education be solved. This is not a valid contention.

It was agreed that the problems before North Carolina state-supported higher education were: (1) the present ineffectiveness of the Board of Higher Education, (2) the potential proliferation of graduate degree programs, and (3) the need for State-level review and recommendations with respect to institutional budget requests.

The solution of these problems does not, in any way whatever, require destruction of the Consolidated University.

The present ineffectiveness of the Board of Higher Education has resulted largely from two factors, which are readily identifiable and easily remedied. One is that the Presidents of the institutions have been frequently by-passed and oftentimes ignored by the Board and its staff. The other is that some of the statutory powers and duties of the Board -- particularly those relating to program control and budget review -- have been poorly conceived and badly worded. These factors have led to conflict and confusion.

This problem would be effectively solved by adoption of the statutory changes proposed in the Appendix to this report. Those changes would largely eliminate the sources of conflict and confusion that have marred the performance of the Board of Higher Education.

The problem of the potential proliferation of new graduate degree programs would be effectively dealt with by the provisions of Section 116-158(3) of the attached Appendix. Those provisions would give the Board of Higher Education effective control over all proposed new degree programs.

The need for effective budget review would be dealt with by the provisions of Section 116-158(7) of the attached Appendix. Those provisions would give the Board of Higher Education substantial new powers in this area. Among other things, the Board would be authorized and directed to report to all parties concerned, in a single comprehensive document, the Board's findings and recommendations relating to budget requests of all institutions, with special emphasis on requests for funding new programs and activities.

In short, the attached Appendix contains all that is required, in the way of statutory changes, to solve the problems of higher education.

Moreover, it is worth noting that the powers and duties proposed for the Board of Regents, under the plan entailing destruction of the Consolidated University, are not radically different from those proposed for the Board of Higher Education under the attached Appendix. To the limited extent that the powers proposed for the Board of Regents go beyond those proposed for the Board of Higher Education, they are unnecessary, unwarranted or unwise.

The Regency plan is not needed to solve the problems of higher education. The proposed destruction of the Consolidated University is, to say the least, unnecessary.

D. <u>The Regency Plan Is Misdirected.</u>

Informed citizens throughout North Carolina are well aware of the principal problem facing public higher education in this State. That problem

is the potential proliferation of expensive graduate degree programs which, if permitted to occur, will lead to a thin spreading of limited resources among numerous institutions with the inevitable result of educational mediocrity.

This problem does not arise from the Consolidated University. The hallmark of the University is the effective self-discipline that it has practiced in this respect. That self-discipline is effectively maintained through the Consolidated University's Graduate Executive Council. This University-wide body maintains close surveillance over every new graduate program proposed by the institutions within the University. Before any such program can be offered by one of these institutions, this Council must be satisfied not only that there is a justifiable need for the new program but also that it will meet the University's high standards of academic excellence.

The problem lies elsewhere. Its solution is not to be found in destruction of the Consolidated University.

To the extent that the problem is non-structural in nature, its solution is to be found in giving the Board of Higher Education control over all proposed new degree programs. That power is specified, in unequivocal terms, in Section 116-158(3) of the attached Appendix. It authorizes the Board of Higher Education not only to monitor closely the proposed new degree offerings of the Regional Universities but also to have the final word with respect to new degree programs of the institutions comprising the Consolidated University.

To the extent that the problem is structural in nature, the means for its solution are to be found in existing legislation. Enacted by the General Assembly

in 1967, G.S. 116-44.16 provides as follows:

> "Not later than July 1, 1972, the State Board of Higher Education pursuant to this article shall study the effectiveness of the regional universities and their proper future role and status in the State system of public higher education, and shall make a report to the General Assembly setting forth its findings and recommendations on that subject. The study shall include, but not be limited to, consideration of the continuation of the existing arrangements, the establishment of a single board of trustees for all regional universities, and the conversion of one or more of the regional universities into campuses of the University of North Carolina."

The solution to the principal problem in higher education does not lie in dismantling that part of the State's system which has worked with efficiency and success. Rather, it lies in looking to the Board of Higher Education -- armed with the new powers specified in the attached Appendix and the existing authority already on the statute books -- to perform effectively the role expected of it.

E. The Regency Plan Is Misconceived.

The proponents of structural change within the Committee attempted to justify their proposal for destruction of the Consolidated University by contending that the Regency plan is an extension of consolidation or "reconsolidation". This is a misconceived notion.

The Consolidated University is a multi-campus university; the proposed Board of Regents is a coordinating board. These are different things, designed for different purposes, requiring different talents, and serving different ends.

The operation of a coordinating board is an exercise in control and containment through the use of power. The operation of a multi-campus university is an exercise in creativity and accomplishment through cooperative effort and institutional leadership.

Part IV of this report describes some of the many accomplishments of the Consolidated University over the last forty years. Those accomplishments have resulted from a type of guidance that could never be duplicated by a coordinating body. They have been made possible because the Consolidated University's administrative structure has been an integral part of the institutional life and development of its component campuses -- not some distant and disassociated state agency.

The proposed Regency plan would make coordination, not a means to an end, but an end in itself. Educational excellence and institutional leadership would be subordinated to the role and status of a coordinating body.

The accomplishments of the Consolidated University have required the exercise of self-discipline of course, but they have depended primarily upon a never-ending striving for new levels of academic quality and accomplishment in which faculty members, students, administrators and trustees have all been working partners. They have come about, not through the negative constraints of a regulatory body, but through positive efforts toward the excellence of the University, the quality of education for our children, and the enhancement of opportunity for service to our State.

The Board of Regents may imitate the composition of the Consolidated University's governing Board, it may even appropriate the University's good name, but it can never be what the Consolidated University is and can never do what the University does.

IV. IMPORTANCE OF RETAINING THE CONSOLIDATED UNIVERSITY.

A. Brief Description of the University and Services It Renders to the State.

The University of North Carolina consists of six campuses located

at Asheville, Chapel Hill, Charlotte, Greensboro, Raleigh and Wilmington. It operates under statutory authority vested in one Board of Trustees, elected by the General Assembly, the President and the Chancellors for each campus. Last fall 45,000 students enrolled, with young men and women from every county of the State in attendance. The faculty and staff number in excess of 12,000 persons. Its operations include sixteen agricultural research stations across the State, the Minerals Research Laboratory at Asheville, the Institute of Marine Fisheries at Morehead City, and many other permanent and continuing operations in North Carolina. Its biennial budget now exceeds 400 million dollars, less than half of which comes from State tax funds.

The University enrolls more than 50% of the student population in public senior institutions in the State. It carries the major responsibility for training many of the health personnel (doctors, dentists, pharmacists, public health officers, nurses) for North Carolina. Through Memorial Hospital it provides medical care for thousands of citizens. It operates and shares with the public schools the educational television system. Through the agricultural experiment stations and the agricultural extension service, it provides indispensable service to the farm population. It is now at work through institutes on highway safety, nutrition, water resources and conservation, pollution, the examination of the enormous potential of our coastal regions and the ocean, the provision of better health care and more health personnel, and many other areas of general public concern.

It provides direct services to public libraries in North Carolina and to the agencies of town, city, county and State government. It continues its inseparable association with the public school system of the State through constant liaison at all levels of the system.

In summary, the University of North Carolina carries more than half of the enrollment in public senior institutions of the State, provides all of the doctoral training offered and most of the professional training that occurs, operates many public service programs, the entire agricultural extension service and experiment station programs, and maintains and operates the Division of Health Sciences. The University, therefore, among the public institutions of the State, has been Legislatively assigned the responsibility for much more than half of the State's total effort in public higher education at the college and university level.

B. What the University Means to the State System of Higher Education.

The forceful leadership of Governor O. Max Gardner in bringing about the act of consolidation in the 1930's represented North Carolina's first manifestation of State policy for a better ordering of public higher education. The Governor considered this legislation his greatest achievement. The University he forged had a troubled childhood. But Governor Gardner persevered and the multi-campus University has grown in strength and stature.

Among others, Josephus Daniels, Clarence Poe, Major L. P. McLendon, Judge John J. Parker, John W. Clark, Mrs. Laura Cone and distinguished living members of the Board of Trustees, along with successive Governors and successive sessions of the General Assembly, brought the University through its first quarter century of growth and development. These men and women stood beside the first President of the University, Frank P. Graham, in welding the institution together. Under Gordon Gray, who succeeded Frank Graham as President, the development of the University continued and he, with the indefatigable William D. Carmichael, Jr., moved the University into greater and more comprehensive service to the State. During the last fourteen years, a period of enormous growth and expansion,

the Consolidated University, under the outstanding and inspired leadership of William C. Friday, has remained faithful to Governor Gardner's primary injunction that it be a vigorous, progressive and productive educational enterprise.

During the 1950's and the debate over the establishment of the Board of Higher Education, there was no legislation to inhibit the status and development of the University. In the early 1960's, the General Assembly, acting upon the recommendations of the Governor's Commission on Education Beyond the High School, established the University as the apex of the State's effort in public higher education and provided for its expansion and growth.

Thus, from the dream held by Governor Gardner in the 1930's down through the decades, guided and directed by the noble spirits of many distinguished citizens of this State, the University, at the close of the 1960's, was one of America's most distinguished universities.

Why has the Consolidated University succeeded?

There are a number of reasons.

(1) Certainly a primary achievement is the acknowledged quality and excellence of the older campuses and the strong academic guidance given the newer campuses at Asheville, Charlotte and Wilmington.

There is no need here to elaborate on the recent national ratings achieved by the Chapel Hill and Raleigh campuses in graduate education in America. Nor should space be taken to detail the careful development of graduate work at Greensboro. It is important, however, to point out that these achievements occurred because there exist within the University strong procedural safeguards and processes that insure qualitative standards through which all post-baccalaureate programs must pass. The application of these standards with supporting financial resources have made these achievements possible.

Dozens of individuals from the older campuses, enlisted by the University's top administrators, have spent hundreds of hours in planning and developing the programs of the newer campuses as these Legislatively authorized mergers took place. This sharing of experience and capability should continue.

The academic quality of the University is made secure through established allocation of functions and the utilization of complementary strengths among departments.

(2) The University has promoted specialization, cooperation and complementary development among its campuses in serving the State.

Beginning with the establishment of the Institute of Statistics under Dr. Graham, the University has sought to build on the historic mission of each campus and through union of effort bring about a level of achievement that could not be realized on one individual campus. Today, the Institute of Water Resources brings together the engineer, the biologist, the sanitation expert, the ecologist and public health personnel from several campuses. The Institute for Highway Safety unites the legal scholar, the civil engineer, the public health officer and other resource personnel from several campuses. The Institute on Nutrition, the Institute for Marine Sciences, the Environmental Institute and others similar in structure cut across campus lines to provide greater service to the State.

These programs rest on the fundamental decision made decades ago that the campuses at Raleigh, Chapel Hill and Greensboro would not engage in massive and total duplication; rather through its Board of Trustees and its single administrative structure, the University was to build toward excellence at each campus in its basic area of assigned academic activity. This fundamental achievement undergirds the great inter-campus developments which now serve the State so well.

(3) The University has achieved a high level of "quality control" that promotes standards and achievement.

No graduate study program is recommended to the Board of Trustees of the University without first having survived strong internal campus scrutiny and, thereafter, the examination and review of the University-wide Graduate Executive Council. Proposals have been turned down in this process; others have been referred for further development and review. Outside consultation and judgment are sought where necessary. These steps are taken because the faculties are concerned that there be no erosion in quality of programs and that the offerings of the University meet proper critical analysis.

The same care and judgment are exercised in faculty selection and promotion. Campus activities in these matters are reviewed by the President to insure continuance of the high standards the entire University has set for its teaching and research staff.

(4) Within limitations set by the agencies of State government, University business management has demonstrably improved budget preparation and presentation and brought about efficiencies in business management.

(5) The administrative structure of the University, operating under its Board of Trustees and a system executive working with individual campus executives, affords a realistic division of labor with concentration of administrative activity within and without each campus.

The organization of the administrative structure of the University enables each Chancellor to focus his concern on campus development while the President's office deals with matters of University-wide concern and the University's State government relationships. Effective coordination of these activities takes place through regular monthly meetings of all the senior officers of the University. The University Advisory Council composed

of sixty-six members from the six campuses provides effective liaison between these elected faculty officers and the senior administrators of the University. A University-wide Consultative Committee, composed of the student body presidents, the Executive Committee of the University Advisory Council and selected Trustees, affords the proper community forum for debate on University-wide issues.

(6) In the expansion of the University to six campuses, self-imposed discipline regarding campus development has been established.

The University, in developing new campuses at Charlotte, Asheville and Wilmington, has respected its long-range plan of internal development and publicly declared its intention of restricting post-baccalaureate programs and professional school development at these campuses until the need for such activity is clearly demonstrable on educational grounds and the needs of the State. Doctoral training is not contemplated in the foreseeable future at Asheville and Wilmington. The growth and development of the campus at Charlotte must rest on a sound undergraduate base with library, research and teaching facilities essential to a first-rate undergraduate program. Post-baccalaureate development here will have to meet the same tests applied on the campuses at Chapel Hill, Raleigh and Greensboro.

(7) The long-range expansion of the University in terms of enrollment growth is following the general pattern agreed upon by the internal process of the University and set forth in its long-range plan.

In September of 1970 the largest rate of enrollment growth took place on the newer campuses. This was according to plans developed by the University months ago. The growth of the campus at Chapel Hill is now regulated and an ultimate size is being established. Similar consideration

is being given to limits of size for North Carolina State. Often, applicants are referred to other campuses of the University, and this practice is growing. With the established pattern for transfer of credits among the campuses which assures appropriate levels of achievement, a student has a mobility that often enables him to study on more than one campus with some saving in cost. This is increasingly true during summer sessions.

(8) The University of North Carolina, through its unified structure, has shared the strength of its resources with its brother institutions and the community colleges.

Beginning with Frank Graham, the University has worked cooperatively with North Carolina Central University in building programs of graduate study, law, public health, education and other programs. It has also shared its experience with N. C. Agricultural and Technical State University in engineering and agriculture. Through extensive involvement with the faculties of the community colleges, solid relationships have been established between the faculties of basic disciplines (English, mathematics, etc.) of the University and the community colleges. There have been cooperative endeavors established with Fayetteville State University and other public institutions in North Carolina. These operations are handled through the President's office, and his staff give constant attention and direction to these undertakings.

(9) The academic achievements of the Consolidated University and the eminent position that it has attained among the leading universities of the Nation over the last forty years have endowed it with a priceless reservoir of good will that is reflected in the quality of faculty and students that it attracts and in the generous support that it receives from Federal grants and contracts, grants from foundations, and gifts from hundreds of private donors.

These accomplishments have been chronicled elsewhere in great detail.* Suffice it to quote from the preface of that work:

> "The purpose of the record has been to show the major developments which have brought about the elimination or reduction of overlapping administrative and academic functions; the consequent economies which have been effected by the application of the principle of allocation of functions; and the growth of the University as a single, united institution staffed and equipped to serve North Carolina and the nation as a modern, high-ranking state university."

Even now, however, the Consolidated University is hardly past the threshold of its usefulness to the State. Having weathered the storms of depression and war during its first fifteen years and having coped successfully with the unparalleled growth of the last twenty-five years, it is now more than ever able to meet the needs of our people. Its potential for future service is enormous.

To destroy this great educational enterprise would be to deprive our citizens of one of their most valuable resources. To abolish the Consolidated University would be to take from our State one of its crowning achievements of the past and one of its brightest hopes for the future.

V. CONCLUSION.

We regret that it was not possible for the Committee to agree upon a plan to be presented to the Governor. Early in our deliberations it developed that a determined effort was on foot to deconsolidate the University of North Carolina.

This presented a deep cleavage -- one in which there was no middle ground. Either the Consolidated University would be retained or it would be destroyed. More specifically, there were repeated suggestions that the Legislatively authorized mergers with the Asheville, Charlotte and Wilmington campuses should

*Wilson, The University of North Carolina Under Consolidation, 1931-1963, History and Appraisal, 1964.

be rescinded and that these institutions should no longer be a part of the University of North Carolina. With this proposal we could not agree.

Constituted as it was, the Committee was hopelessly split. Seven of the twenty-two members were appointed from the Executive Committee of the Consolidated University. Five of the members represented the State Board of Higher Education. The other ten represented individual institutions, with two of these being also members of the Board of Higher Education.

In the final analysis two plans emerged.

One, known as the Regency plan, would have extensively restructured the State's educational system, including the deconsolidation of the University of North Carolina. This plan received thirteen votes.

Those of us who present this minority report could not support that plan:

It would have completely dismantled the Consolidated University of North Carolina.

It would have abolished the Consolidated University's Office of General Administration.

It would have set up a Board of Regents to take over the functions of the Board of Higher Education.

It would have set up a thirteen-man Board of Trustees for each of the sixteen State institutions, all to be appointed by the Governor, thus abolishing the power of the General Assembly to name the Board of Trustees responsible for governing the University of North Carolina.

The second plan, which we favored, would leave the State's educational structure intact with a restatement of the powers of the Board of Higher Education, which we believe would enlarge that Board's coordinating powers and would effectively eliminate present sources of confusion and conflict.

Eight of the members of the Committee voted for this plan.

The question is not what is best for the Board of Higher Education, or the University of North Carolina, or for any single institution. The primary question is what is best for the State of North Carolina.

One of the proponents of the Regency plan frankly wrote: "It is not modeled on the system of any other state." Our concern is that such an untried, unproven structure is no basis for the dismantling of an established, successful and nationally recognized multi-campus University. The structure that public higher education in North Carolina is to have must not become an end in itself; it must serve as a means to quality and excellence.

Our Consolidated University has stood the tests of forty years. Consolidation has been a success. It has been both praised and copied by educators in other states. We have suggested statutory changes which will improve our present system, and it is neither wise nor necessary to destroy the system in order to accomplish these changes.

It is clear to us that the plan which we present would be for the best interests of the State of North Carolina.

Appendix A

GOALS OF HIGHER EDUCATION IN NORTH CAROLINA

The basic goal of higher education is to produce graduates at the baccalaureate level and beyond who are capable of leading lives of constructive employment, responsible citizenship, and creative enjoyment.

Public higher education exists primarily for the benefit of society and secondarily for the personal benefit of the individual, tending both to enhance the individual and to advance the community, state and nation.

A state unwilling to develop its human resources is unlikely to develop much else. If North Carolina is to progress as it should, it must raise its educational sights and face some difficult questions. What kind of higher education do we as a people want? What should it return to the people? Who should enjoy access to its benefits? At what point does the broadening of the base lower the plateau of excellence?

Historically North Carolina has responded to its growing needs by providing educational opportunity at a progressively higher level, first through elementary and secondary, then beyond the high school, and now at professional and doctoral levels above the baccalaureate.

We must continue to provide, in quantity and quality, educational programs and facilities appropriate to the diverse needs of our citizens in order that every individual may have the opportunity, commensurate with his ability and motivation, to achieve the good life.

We can fail by attempting too much or doing too little, either of which bears its own price tag. But by shepherding our resources, avoiding wasteful

duplication, and assigning functions wisely, North Carolina can achieve these goals with a substantial investment of money, time and energy.

The state's educational aspirations can be set down in greater detail. They are given here, in no order of priority.

QUALITIES AND SKILLS SOCIETY NEEDS

Our system of post high-school education, a variety of public and private institutions offering training at different levels, must produce people with the knowledge and skills the state needs -- engineers, scientists, nurses, teachers, doctors, attorneys and persons trained in many other fields.

But in attempting to meet predictable manpower requirements, other vital, but statistically obscure needs should not be overlooked. The state needs philosophers, poets, artists, critics and writers in numbers which 'manpower analyses' can never estimate.

It is also incumbent upon the system and every institution within it to educate citizens who understand the nature and processes of democracy and are willing to assume the responsibilities of citizenship.

OPPORTUNITY FOR EDUCATION BEYOND THE HIGH SCHOOL

Access to the system of higher education should be open to all who can benefit from it. No North Carolinian should be barred because of poverty, race or residence. The ability and interest of the individual, not the chance of birth, should guarantee an opportunity. Every person should have the opportunity to develop to the maximum within the limits of his capability. The student has the reciprocal responsibility of making the best use of educational resources available

to him.

While the state, in order to avoid waste of human and material resources, has the right to require of the student a reasonable promise of success, it must also make provision for the student of high innate ability, black or white, rural or urban, who may have been deprived economically or culturally through no fault of his own. The mere existence of an accessible educational system is not enough. Through special programs, financial assistance or otherwise, institutions of higher learning must seek out talent wherever situated and expose it to educational and cultural advantages.

DIVERSITY WITHIN THE SYSTEM

Because human beings differ and flourish creatively in varying circumstances, the system of higher education must maintain and foster a variety of programs and approaches. In North Carolina, junior and community colleges, public and private senior colleges and public and private universities already offer considerable variety in approaches and level of work. Even so, many institutions tend to be too much alike. Each should cultivate its own special role and develop its own style.

Not only is there need for diversity among institutions, there is also need for diversity within institutions to match the needs and aspirations of students, to help break the lockstep in which far too many must march by a different drummer to a different destiny. The pressure to educate greater numbers must not be permitted to result in assembly-line methods. Academic vitality will be lost if colleges and universities succumb to this temptation.

AN EFFICIENT STATE SYSTEM

In North Carolina institutional growth is necessary to educate increasing numbers of students, but this should be planned so as to achieve maximum quality with maximum economy. Each institution should make a conscious effort to excel in terms of its particular mission, which should be well defined, willingly accepted and widely understood.

From across the nation come reports of two-year colleges that want to become four-year colleges, four-year colleges that want to become five-year colleges, and five-year colleges that want to become universities with doctoral and professional programs. It should be recognized that institutional aspirations are not always synonymous with the public interest.

Cost of meeting the needs of higher education in North Carolina in the next few years will be high. Taxpayers have a right to expect that each institution will not only provide educational opportunity of high quality, but will also operate economically, follow sound business practices and make maximum use of its facilities.

THE ROLE OF RESEARCH

Through research educational institutions make one of their principal contributions to society.

North Carolina has been fortunate in the amount and quality of research conducted at some of its institutions. Much of it has been of immediate and demonstrable benefit to the state. Much of it has also been valuable in helping attract scholars, raising the prestige of the institutions and providing intellectual stimulation to students.

The state must encourage and help to support research activities appropriate to the statutory functions and physical capabilities of public colleges and universities. The institutions, for their part, have a responsibility to keep research in the proper relationship to teaching and to their other functions.

PROTECTION OF ESSENTIAL FREEDOMS

A college or university is an agency of society devoted to seeking truth and transmitting it. Such an institution thrives best in freedom. Its personnel should not ask exemption from laws that apply generally to all citizens; but educators, as all other citizens, should be free to seek and responsibly to expound the truth as they see it. This is in the American tradition and its maintenance in full is essential. In public utterances, however, the educator should feel constrained to speak as an individual and not as a representative of his institution unless he actually is empowered to do so.

CONTINUING EDUCATION

The need for continuing education is a condition of modern life. Knowledge accumulates more rapidly and anyone who wants to keep abreast must be constantly updating his information. Changes in technology render manpower as well as machines obsolete and require retraining to match new techniques. Mid-career education is a continuing need in many fields.

In addition, people are living longer and retiring earlier and must redesign their lives and re-orient their activities. These circumstances, among others, create the need for continuing education of adults. Institutions in the post-high school area must respond in imaginative ways, but in doing so must maintain

high standards.

HIGHER EDUCATION AND COMMUNITY PROBLEMS

Institutions of higher education -- especially in the public domain -- have a responsibility to aid in the search for solutions to many of the problems that face society. With their concentration of resources and human talent, it is appropriate for them to bring the insight of academic disciplines to bear on such problems in the community, state and nation. Every institution, no matter how small or where located, has a contribution to make.

DEVELOPMENT OF STRONG DUAL SYSTEMS

North Carolina is fortunate among the states in the number and quality of its private colleges and universities. These institutions add greatly to diversity and educate a large number of students.

There are many areas in which public and private institutions of higher learning can cooperate to their mutual benefit. In some cases, facilities or faculties are shared. In others, joint cultural or community projects are being undertaken. Each institution should explore ways of cooperating with others nearby or which have complementary interests.

Unfortunately most private institutions are facing acute financial problems which will probably become even more severe. At the same time, the state faces the necessity of finding a way to educate larger and larger numbers. It is in the state's best interest that private higher education continue healthy and strong. Public policy should assure that private and public institutions complement each other to the end that optimum use be made of all available resources of both.

STANDARDS OF EXCELLENCE

Much of American higher education, in its effort to serve increasing numbers of people, has been too little concerned with quality. No goal is more important than that of raising standards of excellence throughout the system.

Excellence is doing well a specific task, whether that task consists of training doctoral candidates or helping freshmen remedy academic deficiencies. An institution is not necessarily more excellent because it is more selective or because its work is at a more advanced level. It is excellent if it performs superbly the functions assigned to it.

North Carolina's system of higher education provides for work at many different levels. This is appropriate. But at whatever level, the student should be challenged to the full measure of his capacity. Every institution which admits students with inadequate prior educational opportunity or preparation must have programs which are specifically designed for those students. At the other end of the scale, every institution must stimulate and challenge its best students to the fullest. Excellence cannot be achieved by ignoring individual differences among students.

It is important to set high standards in undergraduate as well as in graduate programs. The undergraduate years are formative, years when it is determined how broadly educated most students will become. Moreover, most students do not go on to graduate study.

North Carolina should never be satisfied with the production of leaders in any field who are merely competent. Nor should a regional average be good enough as a standard. North Carolina must insist that its best be as good as the best anywhere.

APPENDIX B

DRAFT OF PROPOSED STATUTORY CHANGES

Article 1.

The University of North Carolina System.

Part 1. General Provisions.

Section 116-1. Purpose.-- In order to foster the development of a well-planned and coordinated system of higher education, to improve the quality of education, to extend its benefits and to avoid wasteful expenditure of funds, the General Assembly has reorganized higher education in accordance with the provisions of this Article.

Sec. 116-2. Definitions.-- As used in this Article, unless the context clearly indicates a contrary intent:

"Board" means the Board of Regents of the University of North Carolina System.

"Constituent institution" or "institution" means one of the sixteen public senior institutions, to wit, the University of North Carolina at Chapel Hill, North Carolina State University at Raleigh, the University of North Carolina at Greensboro, the University of North Carolina at Charlotte, the University of North Carolina at Asheville, the University of North Carolina at Wilmington, Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, Western Carolina University, and Winston-Salem State University.

"Board of trustees" means the board of trustees of a constituent institution.

"Chancellor" means the Chancellor of the University of North Carolina System.

"President" means the president or chief administrative officer of a constituent institution.

Part 2. The Board of Regents.

116-3. Constituent Institutions of the University of North Carolina System.--The University of North Carolina at Chapel Hill, North Carolina State University at Raleigh, the University of North Carolina at Greensboro, the University of North Carolina at Charlotte, the University of North Carolina at Asheville, the University of North Carolina at Wilmington, Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, Western Carolina University, and Winston-Salem State University are, effective July 1, 1971, consolidated into "The University of North Carolina System," which shall constitute the University of North Carolina as the same is provided for in the Constitution. Said University System shall be comprised of the sixteen constituent institutions named.

116-4. Board of Regents of the University of North Carolina System.--The Board of Trustees of the University of North Carolina is hereby redesignated, effective July 1, 1971, "The Board of Regents of the University of North Carolina System." By that name it shall continue as a body politic and corporate, may sue and be sued, make contracts, acquire real and personal property by gift, purchase or devise and exercise such other rights and privileges as are ordinarily exercised by corporations of like character and as are necessary for the proper administration of the affairs of the University System.

116-5. Membership of the Board of Regents.--(a) The membership of the Board of Regents shall consist of the following:

(1) The Governor shall serve ex officio as a member and as chairman.

(2) Each former governor of North Carolina who is living shall be a member.

(3) The Superintendent of Public Instruction shall serve ex officio as a member.

(4) The chairman of the State Board of Education shall serve ex officio as a member.

(5) One hundred members shall be elected by the Senate and the House of Representatives in joint session assembled for eight-year overlapping terms, 25 being elected at each biennial session; provided, however, that the General Assembly of 1971 shall elect 25 persons to serve for two-year terms, 25 for four-year terms, 25 for six-year terms and 25 for eight-year terms. All terms shall commence on July 1 of odd-numbered years.

(6) The members of the initial Board elected for terms commencing July 1, 1971, shall be chosen from a list made up of the members of the Board of Higher Education and the members of the boards of trustees of the constituent institutions as of May 15, 1971. Nominations to the initial board shall be

made to the Senate and the House of Representatives by a joint committee of the Senate and House appointed by the President of the Senate and the Speaker of the House and chaired by the chairmen of the Committees on Higher Education. At least 36 of the 100 members elected to the initial Board shall be persons who are, as of May 15, 1971, members of the board of trustees of the University of North Carolina. Each of the six campuses that comprise the University of North Carolina as of May 15, 1971, shall be represented on the initial Board by at least two persons, among the 36, who are closely identified with the campus by reason of training, place of residence or experience. At least 36 of the 100 members elected to the initial Board shall be persons who are, as of May 15, 1971, members of the boards of trustees of the other 10 constituent institutions, and at least two of these 36 shall be selected from the board of trustees of each of the 10 institutions. At least 15 of the 100 members elected to the initial Board shall be persons who are, as of May 15, 1971, members of the Board of Higher Education.

(b) In electing members to the Board the General Assembly shall seek appropriate representation of women, of minority races and of the various types of institutions in the system. Of the elected members, at least twelve shall be women and at least twelve shall be Negroes.

(c) No member, except ex officio members, may be officers or employees of the State or of any constituent institution.

(d) All members of the Board of Regents shall be selected for their interest in, and their ability to contribute to the fulfillment of, the purposes of the Board of Regents, and all members shall be deemed members-at-large, charged with the responsibility of serving the best interests of the whole State.

(e) Whenever any vacancy shall occur in the Board of Regents, it shall be the duty of the Secretary of the Board to communicate to the General Assembly the existence of the vacancy, and thereupon there shall be elected by joint ballot of both houses a suitable person to fill the same. Whenever a member shall fail to be present for one year at the regular meetings of the Board, his place as a member shall be deemed vacant, but this provision shall not apply to members serving in any branch of the United States armed forces or in the military forces of any of the allies of the United States, nor shall the place of any member be declared vacant by reason of the absence of the member because of temporary service in the Government of the United States or any of its agencies.

116-6. Vice-Chairman, Secretary and Treasurer.-- The Board of Regents shall elect for two-year terms, and until their successors have been elected and qualified, a vice-chairman, a secretary and a treasurer.

116-7. Meetings of Board of Regents.-- The Board of Regents shall meet at stated times established by the Board, but not less frequently than three times during a calendar year. A quorum for the conduct of business shall consist of 51 members.

116-8. Executive Committee.-- The Board of Regents shall have power to appoint from their own number an executive committee, which shall be clothed with such powers as the Board may confer and shall be composed of the Governor as a member and as Chairman and of twelve additional members. The twelve members shall be elected by the Board for four-year overlapping terms, three being elected each year. The

initial executive committee, which shall be elected for terms commencing as of July 1, 1971, shall consist of three persons elected for four-year terms, three for three-year terms, three for two-year terms and three for one-year terms. No member of the executive committee shall be eligible to serve again on the committee for a period of one year after his term has expired.

116-9. Powers and Duties Generally.-- The Board of Regents shall have the following powers and duties:

(1) The principal function of the Board shall be to plan and coordinate a system of higher education in the State. To this end, the Board, in consultation with the presidents, or their designated representatives, acting in accordance with authorization of their respective boards of trustees, shall prepare, and from time to time revise, a long-range plan for a coordinated system of higher education, supplying copies of the same, and of each revision thereof, to the Governor, the General Assembly, the Advisory Budget Commission and the boards of trustees of the institutions. Statewide Federal or state programs that provide aid to institutions or students of post-secondary education through a state agency should be administered by the Board, as the state's agency for higher

education, or should be related to the Board in a way that will insure that the programs are effectively coordinated and that all activities are consonant with the state's long-range plan for higher education.

(2) No institution shall initiate, request funding for or offer instruction in, any new degree program or any major educational, research, extension or public-service function or activity, not previously offered by such institution, unless and until approval has been received from the Board. The Board shall not authorize any institution, with the exception of the University of North Carolina at Chapel Hill, North Carolina State University at Raleigh and the University of North Carolina at Greensboro, to award the doctoral degree in any field until the Board has completed a statewide study of the need for additional doctoral work, of the capability of the institutions to offer work of high quality in the various disciplines and of the capability of the state to support such work adequately.

(3) The Board shall have the power to recommend to the board of trustees of an institution the discontinuance, on at least one year's written notice, of any degree program of such institution that is not consistent with the recommended long-range plan referred to in subsection (1). The institution may, within sixty days of receipt of the notice, request a hearing by the Board on such recommendation.

(4) The Board shall have authority to approve the establishment of any new branch campus or of any permanent or semi-permanent educational or research center of any of the constituent institutions.

(5) The Board shall have authority to approve the establishment of any new publicly supported institution above the community college level.

(6) The Board shall have authority to collect from the institutions such information as it may deem necessary or desirable in the performance of its duties, and it may prescribe uniform reporting practices for the institutions.

(7) The Board, in consultation with the boards of trustees of the constituent institutions, may set tuition and required fees at the institutions, subject to the action of the Advisory Budget Commission and of the General Assembly.

(8) (a) The Board shall participate in the process of preparing the State Government budget by submitting to the Advisory Budget Commission a recommended budget for each institution that is in accord with the long-range plan for a coordinated system of higher education and by making other recommendations to the Director of the Budget, the General Assembly, the Advisory Budget Commission and the presidents.

(b) Each institution shall submit to the Board enrollment projections proposed for use in the construction of the institutional requests for biennial appropriations. After

reviewing the projections and after consultation with representatives of the institutions and of the State agencies concerned, the Board shall make tentative findings and recommendations thereon, reporting them to the institutions. Any institution that wishes to be heard by the Board concerning the tentative findings and recommendations shall be afforded a hearing by the Board or the Executive Committee. Thereafter the Board shall take official action on the enrollment projections, reporting the action to the Director of the Budget, the Advisory Budget Commission and the institutions. Such enrollment figures as the Board may approve shall be used in the construction of the biennial budget requests.

(c) The Board, in consultation with representatives of the institutions and of other State agencies concerned, shall formulate budget review procedures, standards, criteria and formulas and shall make recommendations to the Director of the Budget and the Advisory Budget Commission on the forms to be required of the institutions in the submission of the statements and estimates that are required under the Executive Budget Act. Each president shall submit to the Board all statements and estimates that are required by the Executive Budget Act of departments and agencies seeking State appropriations. The Board, or an appropriate committee thereof, in consultation with other State agencies concerned, shall review the statements and estimates, inviting the presidents or their representatives to present such explanation, in writing or orally, as they may wish. Requests for

capital improvements shall be reviewed by the Board in consultation with the Division of Property Control and Construction of the Department of Administration. Following review of all institutional budget requests, the Chancellor shall transmit to each president tentative recommendations concerning budget requests. All institutions shall be afforded an opportunity to be heard by the Board or its Executive Committee before action is taken on the budget requests. The Board shall then approve a recommended budget for each institution, which shall be transmitted to the Director of the Budget and the Advisory Budget Commission, with copies to the presidents and the chairmen of the institutional boards of trustees. Whenever the Board's recommended budget for higher education differs from the initial institutional requests submitted to the Board, the Board shall indicate the difference in submitting the recommended budget to the Advisory Budget Commission. The Chancellor, with the presidents or their representatives, shall present and explain the budgets to the Advisory Budget Commission and the General Assembly. Appropriations shall be made directly to the individual institutions, but the General Assembly may appropriate to the Board for distribution funds for unspecified new programs or for such other purposes or activities as the General Assembly may direct.

(d) In order to assist an institution that experiences a heavy over-enrollment that could not reasonably have been anticipated, the Department of Administration may, on recommendation of the Board, transfer to such an institution appropriated operating funds from one or more institutions that have experienced enrollment below the budgeted level. The Department of Administration may also, on recommendation of the Board, draw upon any reserve funds that may be specifically appropriated for excess enrollments.

(9) The Board shall give advice and recommendations concerning higher education to the Governor, the General Assembly, the Advisory Budget Commission and the boards of trustees of the institutions.

(10) The Board shall maintain close liaison with the State Board of Education, the Department of Community Colleges and the private colleges and universities of the state to the end that the state may have a well-coordinated system of higher education.

(11) The president of each of the constituent institutions shall be elected by the board of trustees of the institution subject to confirmation by the Board of Regents.

(12) The Board shall possess such powers as are necessary and proper for the exercise of the specific powers set out in this Article.

116-10. Property.-- All property, real or personal, held by the University of North Carolina as it presently exists and not identified with, or held for the benefit of, any campus of said university, or any two or more campuses less than all six, shall be, and hereby is, effective July 1, 1971, transferred to and vested in the Board of Regents of the University of North Carolina System. All property, real or personal, held by the Board of Higher Education as it presently exists, shall be, and hereby is, effective July 1, 1971, transferred to and vested in the Board of Regents of the University of North Carolina System.

116-11. Powers Reserved to Constituent Institutions.-- All powers relating to constituent institutions and not granted by statute to the Board of Regents or to other state agencies shall inure to the respective boards of trustees of the institutions.

116-12. Council of Presidents.-- A Council of Presidents shall act in an advisory capacity to the Board through the Chancellor. The Chancellor shall serve as chairman of the Council. The views of the Council regarding agenda items before the Board or other matters concerning higher education shall be presented to the Board by the Chancellor, or may, upon request of the Council, be presented by one or more of the presidents.

116-13. Chancellor, Staff and Office.--(a) The Board shall elect a Chancellor of the University of North Carolina System. He shall be the principal executive officer of the Board and shall perform such duties and exercise such powers as are specified by statute and as may be prescribed by the Board. His salary shall be fixed by the Governor subject to the approval of the Advisory Budget Commission. Any institution aggrieved by any action of the Chancellor shall, upon request, be afforded an opportunity to be heard by the Board or by the Executive Committee.

(b) The Chancellor shall be assisted by such professional staff members as may be deemed necessary to carry out the provisions of this Article, their salaries being fixed by the Governor, subject to the approval of the Advisory Budget Commission. In addition he shall be assisted by such other employees as may be needed to carry out the provisions of this Article, who shall be subject to the provisions of Article 2, Chapter 143 of the General Statutes. The staff complement shall be established by the Board on recommendation of the Chancellor, provided, however, that the initial staff complement shall consist of not less than the staff complements of the General Administration of the University of North Carolina and of the Board of Higher Education, as the same may exist as of June 30, 1971, augmented by such additional positions as may be deemed necessary to insure that there are persons on the staff who have the professional competence and experience to carry out the duties assigned and to insure that there are persons on the staff who are familiar with the problems and capabilities of all of the various types of institutions represented among the constituent institutions.

(c) The Chancellor, with the approval of the Board, shall appoint an advisory committee composed of representative presidents of the private colleges and universities and may appoint such additional advisory committees as are deemed necessary or desirable, including committees representative of faculty members and students.

(d) The Board shall be provided suitable quarters in Raleigh or in such other place as may be designated, provided that the place selected shall not be on a campus of a constitutent institution or closely identified with any such institution.

116-14. Licensing of non-public educational institutions; regulation of degrees.--(a) No non-public educational institution created or established in this State after April 15, 1923, by any persons, firm, organization, or corporation shall have power or authority to confer degrees upon any person except as provided in this section. The Board of Regents shall call to the attention of the Attorney General, for such action as he may deem appropriate, any institution failing to comply with the requirements of this Section.

(b) The Board of Regents, under such standards as it shall establish, may issue its license to confer degrees in such form as it may prescribe to a non-public educational institution established in this State after April 15, 1923, by any person, firm, organization, or corporation; but no non-public educational institution established in the State subsequent to that date shall be empowered to confer degrees unless it has income sufficient to maintain an adequate faculty and equipment sufficient to provide adequate means of instruction in the arts and sciences, or any other recognized field of learning or knowledge.

(c) All non-public educational institutions licensed under this section shall file such information with the Chancellor as the Board of Regents may direct, and the said Board may evaluate any non-public educational institution applying for a license to confer degrees under this section. If any such non-public educational institution shall fail to maintain the required standards, the Board shall revoke its license to confer degrees, subject to a right of review of this decision in the manner provided in §§ 143-306 through 143-316 of the General Statutes.

(d) The State Board of Education shall have sole authority to administer and supervise, at the State level, the system of community colleges, technical

institutes, and industrial education centers provided in Chapter 115A of the General Statutes, and shall regulate the granting of appropriate awards and marks of distinction by those institutions.

Part 3. Constituent Institutions.

116-21. Continuation of Boards of Trustees for Ten Institutions.--Effective July 1, 1971, the powers and duties of each of the boards of trustees of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, Pembroke State University, Western Carolina University, and Winston-Salem State University are redefined as set out in this Article. Each of said boards of trustees shall continue as a body corporate, continue to hold title to all real and personal property held immediately prior to said date and continue to be responsible for all obligations for which said board was responsible immediately prior to said date. All persons who may be members of each of said boards immediately prior to said date shall continue as members until the expiration of their terms, except those who may be appointed to the Board of Regents.

116-22. Creation of Boards of Trustees for Six Institutions.--(a) Effective July 1, 1971, the Board of Trustees of the University of North Carolina at Chapel Hill, the Board of Trustees of North Carolina State University at Raleigh, the Board of Trustees of the University of North Carolina at Greensboro, the Board of Trustees of the University of North Carolina at Charlotte, the Board of Trustees of the University of North Carolina at Asheville and the Board of Trustees of the University of North Carolina at Wilmington is each constituted a body corporate and an agency of the state and is made subject to the provisions set out in Section 116-24 of the General Statutes and to provisions set out in other sections of this Article. As of said date each of said six boards of

trustees shall succeed to all property, real or personal, which the University of North Carolina held immediately prior to said date for the benefit of the respective institution, and each shall succeed also to all rights and obligations of the University of North Carolina that pertain to the respective institution. For this purpose, all property of whatsoever kind and all rights and privileges held by the University of North Carolina immediately prior to July 1, 1971, except such property, rights or privileges as may be vested under this Article in the Board of Regents, shall be, and hereby are, effective July 1, 1971, transferred to and vested in the board of trustees of the institution for whose beneficial interest the property, rights or privileges have been held; further, all obligations of whatsoever kind of the University of North Carolina, as the obligations may exist immediately prior to July 1, 1971, shall be, and the same hereby are, effective July 1, 1971, transferred to and assumed by the board of trustees of the institution on whose behalf the obligation was incurred. In case a dispute arises as to which property, rights or privileges were held for the beneficial interest of a particular institution, or as to the extent to which such property, rights or privileges were so held, or in case a dispute arises as to which obligations were assumed on behalf of a particular institution, the Board of Regents shall determine the issue.

116-23. Initial Membership of Boards of Trustees for Six Institutions.--(a) The Governor shall appoint twelve initial members to a board of trustees for each of six institutions, to wit, the University of North Carolina at Chapel Hill, North Carolina State University at Raleigh, the University of North Carolina at Greensboro, the University of North Carolina at Charlotte, the University of North Carolina at Asheville, and the University of North Carolina at Wilmington.

Three of the trustees appointed to each board shall be designated to serve for two-year terms, three for four-year terms, three for six-year terms and three for eight-year terms. All terms shall commence as of July 1, 1971. In addition, the president of the student body of each of said six institutions shall, effective July 1, 1971, be a member ex officio of the initial board of trustees, with power to vote on all matters coming before the board.

(b) Eight of the members appointed to each of the initial boards of trustees for said six institutions shall be chosen from the membership of the Board of Trustees of the University of North Carolina as said membership may exist on May 15, 1971.

(c) After constitution of the initial boards of trustees for said six institutions as herein provided, the boards shall be constituted in the manner provided in Section 116-24 of the General Statutes.

116-24. Provisions Common to all Constituent Institutions.-- The following provisions shall be common to all constituent institutions:

(1) Members of Board of Trustees; Number; Terms and Appointment.

a. The board of trustees of the institution shall consist of thirteen persons, twelve of whom shall be appointed for terms of eight years each, beginning July 1 of an odd-numbered year, the terms to be staggered so that three vacancies occur every two years. The president of the student government at each institution shall be a member ex officio of the board of trustees, with the power to vote on all matters coming before the board.

b. With the exception of the ex officio member, the Governor shall make all appointments to each of said boards of trustees, subject to the confirmation of the Senate and House of Representatives in joint session assembled.

c. No person may serve at the same time both as a member of the board of trustees and as a member of the Board of Regents. Any trustee appointed to the Board of Regents, or becoming a member of the Board of Regents ex officio, shall be deemed to resign as a trustee effective as of the date his term commences as a member of the Board of Regents.

(2) Removal of Trustees.-- Members of each board of trustees shall be subject to removal for cause by the Governor and Council of State.

(3) Meetings of Board of Trustees.-- It shall be the duty of each of said boards of trustees to hold not less than two regular meetings a year as fixed by the trustees, at which the board shall consider recommendations of the president of the institution, and transact such other business as may properly come before it. The board of trustees may also hold special meetings from time to time upon the call of the chairman.

(4) Election of Chairman and Vice-Chairman; Committees of Board of Trustees; Quorum; Majority Vote.-- At the first meeting after June 30 of each year, the board of trustees shall elect one of their own members as chairman and one as vice-chairman, and designate such committees of the board of trustees, and endow them with such powers, as may be deemed proper and wise for the management of the affairs of the institution. The chairman shall appoint the committees so designated. A quorum of the board of trustees for the transaction of business shall consist of a majority of the members. All actions of the board of trustees shall be taken by a majority vote, a quorum being present.

(5) Board of Trustees a Body Corporate and Agency of State; Title to Property; Management of Institution.

a. The board of trustees of each of said institutions is a body corporate and an agency of the State of North Carolina under the name and style of "The Board of Trustees of . . . . . ." (in which shall be inserted the name of the institution) and by that name may sue and be sued, make contracts, acquire real and personal property by gift, purchase or devise and exercise such other rights and privileges as are ordinarily exercised by corporations of like character and as are necessary for the proper administration of the affairs of the institution.

b. The board of trustees of each of said institutions and its successors in office shall hold in trust for the State of North Carolina title to all property now held, or which shall be later acquired by said board.

c. The board of trustees of each of said institutions shall be responsible for the management of all the affairs of the institution, subject to the applicable laws of the state and to the authority granted to the Board of Regents. All powers relating to the institution and not granted by statute to the Board of Regents or to other state agencies shall inure to the board of trustees. The board of trustees shall have the duty to provide for the handling and expenditure of all moneys whatsoever belonging to, appropriated to, or in any way acquired by the institution; it shall provide for the erection of all buildings, the making of

all needed improvements, the maintenance of the physical plant of said institution, and may do all things deemed useful and wise for the good of the institution.

d. It shall be the duty of each of said boards of trustees to elect a president of the institution subject to confirmation by the Board of Regents, to fix his salary within the schedule provided by law, and to fix his tenure of office. Upon the recommendation of the president, it shall be the duty of the board of trustees to elect other officers, teachers, and employees, to fix their duties, tenure of office, and within the schedule provided by law, their salaries. The board of trustees shall also establish bylaws for the management of the institution's affairs, and rules and regulations for the general management of the institution and for the discipline of the students.

e. The board of trustees of each of said institutions, upon the recommendation of the faculty, is hereby authorized and empowered to confer or cause to be conferred such degrees as are usually conferred by similar institutions, subject to the authority of the Board of Regents to determine and approve the kinds of degrees to be conferred by the institution.

f. Each of said institutions now operating a campus laboratory or demonstration school may continue to do so under the now existing plan of operation, consistent with the appropriations made therefor.

g. Each of said boards of trustees shall prepare a biennial budget request to be forwarded to the Board of Regents.

h. Each of said boards of trustees shall approve, or provide for the approval of, curricular requirements, within the educational functions and degree programs approved by the Board of Regents. Each board of trustees shall also review and act upon requests for new degree programs or educational activities, forwarding those that are approved by the board of trustees and that require approval by the Board of Regents to the Board of Regents for consideration.

i. Institutions operating electric power plants and distribution systems as of June 6, 1957, are authorized to continue such operation and, after furnishing light and power to the institution, to sell any excess current to the people of the community at a rate or rates approved by the Utilities Commission. Any net profits derived from the operation of such power plants and distribution systems shall be paid into the endowment fund of the institution.

(6) Duties of President of Institution.

a. It shall be the duty of the president of each constituent institution to attend all meetings of the board of trustees, to be responsible for the keeping of a full

and complete record of such meetings, and to act as custodian of all records, deeds, contracts, and the like. It shall be the duty of the president to keep the board of trustees fully informed of the operations of the institution and its needs.

b. Whenever the term of office of any member of the board of trustees of such institutions is about to expire, or should a vacancy occur for any cause, the president, with the approval of the chairman of the board of trustees, shall immediately notify the Governor, to the end that he may make an appointment to fill such vacancy.

c. The president shall be the administrative and executive head of the institution, and shall not be a member of the board of trustees. As of June 30 of each year he shall prepare for the board of trustees a detailed report of the operations of the institution for the preceding year and cause one copy thereof to be filed with the official records of the board of trustees and one copy to be filed with the Board of Regents.

d. The president of the institution shall recommend courses of study, subject to the approval of the board of trustees, and further subject to the authority of the Board of Regents to determine the major functions and activities of the constituent institutions.

APPENDIX C

DRAFT OF PROPOSED STATUTORY CHANGES RECOMMENDED BY MINORITY OF COMMITTEE AND ANALYSIS THEREOF

(Deletions denoted by striking out; additions denoted by underscoring.)

ARTICLE 16, CHAPTER 116

State Board of Higher Education.

§ 116-154. Creation and purpose.--There is hereby created the North Carolina Board of Higher Education. The purpose of the Board shall be, through the exercise of the powers and performance of the duties set forth in this article, to plan and promote the development of a sound, vigorous, progressive, and coordinated system of higher education in the State of North Carolina. In pursuit of this objective the Board will seek the cooperation of all the institutions of higher education and of other educational agencies in planning and promoting a system of higher education that will serve all the higher educational needs of the State and that will encourage a high standard of excellence in all institutions composing the system, each operating under the direction of ~~its own~~ their boards of trustees ~~in the performance of the functions assigned to it~~.

§ 116-155. Definitions.--As used ~~herein~~ in all sections of this article, except section 116-161:

"Board" ~~refers to~~ means the North Carolina Board of Higher Education.

~~"Higher education" refers to all educational and instructional curricula and services in the university system and the senior colleges.~~

"Higher education" means the teaching, research and public service programs of institutions of higher education.

~~"Institutions of higher education" and "such institutions" refer to all senior institutions of higher education now existing or hereafter established supported wholly or in part by direct appropriations of the North Carolina General Assembly.~~

"Institution" means an institution of higher education, now existing or hereafter established, which provides four or more academic years of instruction and awards baccalaureate or more advanced degrees and which is supported wholly or in substantial part by direct appropriations of the General Assembly; and, for the purpose of this definition, as used in this article, each of the component campuses of the University of North Carolina is to be considered an institution.

~~"Senior colleges" refers to all State supported four year colleges, except the university system.~~

"Presidents" means the President of the University of North Carolina, the Presidents of the Regional Universities, and the chief administrative officer of the School of the Arts.

~~§ 116-156. Membership; appointment, term and qualifications; vacancies.--The Board shall consist of twenty two citizens of North Carolina, one of whom shall be a member of the State Board of Education to be appointed by the Governor, eight of whom shall be appointed by the Governor to represent the public at large, but none of whom shall be officers or employees of the State, or officers, employees or trustees of the institutions of higher education, four of whom shall be selected by the boards of trustees of state supported senior colleges, and two of whom shall be selected by the board of trustees of the University, provided, no trustee member shall be a member of the General Assembly.--The Governor shall serve ex officio as a member and~~

as-chairman-of-the-Board.--The-six-persons-who-are-the-chairmen-of-the committees-on-appropriations,-finance-and-higher-education-in-the-Senate and-House-of-Representatives-shall-serve-ex-officio-as-members-of-the-Board. The-four-senior-colleges,-whose-trustees-shall-select-one-of-their-members as-a-Board-member-to-serve-for-a-two-year-term,-shall-be-selected-by-the Governor-in-such-order-of-rotation-as-he-may-choose-every-two-years;-provided, that-the-right-of-selection-of-such-Board-member-shall-be-rotated-among-all institutions-equally.

Members-of-the-Board-other-than-the-six-selected-by-the-trustees-of institutions-and-the-ex-officio-members-shall-be-appointed-by-the-Governor for-terms-of-six-years,-except-that-of-the-first-Board-appointed,-three members-shall-serve-for-two-years,-three-shall-serve-for-four-years-and three-for-six-years.--Terms-of-all-members-of-the-first-Board-so-selected shall-commence-July-1,-1965.--The-term-of-each-of-the-six-ex-officio members-from-the-General-Assembly-shall-commence-with-his-appointment-to-the committee-chairmanship-and-shall-continue-until-his-successor-as-committee chairman-has-been-appointed.

All-memberships,-except-ex-officio-memberships,-shall-be-subject-to confirmation-by-the-House-of-Representatives-and-the-Senate-in-joint-session assembled.--The-Governor-shall-forward-all-appointments-to-the-General Assembly-before-the-fortieth-legislative-day-of-each-regular-session.--The Governor-shall,-without-such-confirmation,-appoint-members-to-fill-vacancies for-unexpired-terms.

Appointees-to-the-Board-shall-be-selected-for-their-interest-in-and ability-to-contribute-to-the-fulfillment-of-the-purpose-of-the-Board.-All members-of-the-Board-shall-be-deemed-members-at-large,-charged-with-the responsibility-of-serving-the-best-interests-of-the-whole-State.

Membership.--(a) The Board shall consist of twenty-three citizens of North Carolina selected as follows:

(1) Twelve of the members, none of whom may be a trustee of an institution of higher education, shall be appointed by the Governor to represent the public-at-large and to serve for six-year, overlapping terms. One of the twelve shall be appointed from the membership of the State Board of Education.

(2) Three of the members shall be elected by and from the board of trustees of the University of North Carolina to serve for four-year terms. At least two of the three shall be chosen from the membership of the Executive Committee of said board of trustees.

(3) Five of the members shall be elected on a rotating basis by and from the boards of trustees of the regional universities and the North Carolina School of the Arts to serve for four-year terms. The Governor shall determine the order in which each of said boards of trustees shall be entitled to elect a member of the Board, provided that the right of election shall be rotated among the institutions equally.

(4) The two chairmen of the Committees on Higher Education in the Senate and House of Representatives shall serve as members ex officio, the term of each to commence with his appointment to the committee chairmanship and to continue until his successor as committee chairman has been appointed.

(5) The Governor shall serve ex officio as a member and as Chairman.

(b) All memberships, except ex officio memberships, shall be subject to confirmation by the House of Representatives and the Senate. The Governor may, without such confirmation, appoint members to fill vacancies for unexpired terms, except that vacancies for unexpired terms of trustee members may be filled by the appropriate board of trustees without confirmation. All terms, except those of ex officio members, shall commence on July 1 of odd-numbered years. No member, except ex officio members, may be officers or employees of the State or of any institution of higher education. No member elected by a board of trustees may be a member of the General Assembly.

(c) All appointed and elected members of the Board shall be selected for their interest in, and their ability to contribute to the fulfillment of, the purposes of the Board. All members shall be deemed members-at-large, charged with the responsibility of serving the best interests of the whole State.

(d) All persons who are members of the Board as of June 30, 1971, shall be entitled to serve for the remainder of their elected or appointed terms, except that the terms of the four chairmen of the Committees on Finance and Appropriations in the Senate and House of Representatives shall expire on that date. The Governor shall appoint six members to represent the public-at-large for terms beginning July 1, 1971, one of whom shall serve for a two-year term, one for a four-year term and four for a six-year term. In subsequent odd-numbered years the Governor shall appoint four members-at-large, all for a full six-year term. One of the three members elected by the board of trustees of the University of North Carolina for terms commencing

July 1, 1971, shall be elected to serve for a four-year term and two shall be elected to serve for a two-year term. Three of the five members elected by the boards of trustees of the regional universities and of the North Carolina School of the Arts for terms commencing July 1, 1971, shall be elected to serve for a four-year term and two shall be elected to serve for a two-year term. The Governor shall determine which institutional boards of trustees shall elect members for the four-year term and which shall elect them for the two-year term. In subsequent years all of the eight trustee members of the Board shall be elected for four-year terms.

§ 116-157. Vice-chairman and secretary.--The Board shall elect annually from among its members a vice-chairman and a secretary.

§ 116-158. Powers and duties generally.--The Board shall have the following specific powers and duties, in the exercise and performance of which it shall be subject to the provisions of article 1, chapter 143 of the General Statutes except as herein otherwise provided:

(1) The primary function of the Board ~~of Higher Education~~ shall be to plan and promote ~~coordinate the major educational functions and activities~~ a coordinated system of higher education in the State. ~~and to allot the functions and activities of the institutions of higher education in addition to the purposes specified in articles 1 and 2 of chapter 116 of the General Statutes.--No public senior educational institution shall request from the General Assembly, the Advisory Budget Commission or any other State agency approval of, or funding for, any new degree~~

~~program-or-educational-function-or-activity-until-the-same has-been-approved-by-the-board-of-trustees-of-the institution-and-acted-upon,-in-accordance-with-regularly established-procedures,-by-the-Board-of-Higher-Education. The-Board-shall-give-the-Governor,-the-General-Assembly and-the-various-institutions-advice-on-higher-education policy-and-problems.~~ To this end, the Board, in consultation with the Presidents, or their designated representatives, acting in accordance with authorization of their respective boards of trustees, shall prepare, and from time to time revise, a recommended long range plan for a coordinated system of higher education; and it shall supply copies of the same, and each revision thereof, to the Governor, the General Assembly, the Advisory Budget Commission and the boards of trustees of the institutions.

(2) The Board shall give advice and recommendations concerning higher education to the Governor, the General Assembly, the Advisory Budget Commission and the boards of trustees of the institutions.

~~(2)--In-carrying-out-the-duties-prescribed-in-subdivision-(1) hereof-and-subject-thereto,-the-Board-shall-determine the-types-of-degrees-which-shall-be-granted-by-each-of such-institutions.~~

(3) No institution shall request funding for, or offer instruction in, any bachelor's degree program, any master's degree

program, any doctor's degree program, or any post-baccalaureate professional degree program, not previously offered by such institution, unless and until approval to do so has been received from the Board. In deciding whether to give any such approval, the Board shall follow the principle that there should be a careful limitation (i) on the entry into doctoral and post-baccalaureate professional education by institutions not previously engaged therein, (ii) on the entry into education at the level of the master's degree by institutions not previously engaged therein, and (iii) on the offering by an institution of any master's, doctor's or post-baccalaureate professional degree program not previously offered by such institution.

~~(3)~~ (4) The Board shall cause to be made such visits to the institutions as it shall deem necessary and proper in the performance of its duties. Visits to, or communications with, the institutions shall be made through the Presidents, or their designated representatives.

~~(4)~~ (5) Subject to the requirements of subdivision (7), ~~T~~the Board shall prescribe uniform statistical reporting practices and policies to be followed by ~~such~~ the institutions where it finds such uniformity will promote the purpose of the Board.

~~(5)--Subject-to-the-provisions-of-subdivision-(1),-all-institutions~~

~~included in the State System of Higher Education shall conform to the educational functions and activities assigned to them respectively; provided, that the Board shall not require any institution to abandon or discontinue any existing educational functions or activities, if, after notice and hearing, the institution is not in agreement with the decision of the Board, until such decision is first recommended to and approved by the General Assembly.~~

(6) The Board shall have the power to recommend to the board of trustees of an institution the discontinuance, on at least one year's written notice, of any degree program of such institution that is not consistent with the recommended long range plan referred to in subdivision (1). The institution may, within sixty days of receipt of the notice, request a hearing by the Board on such recommendation.

~~(6) Each institution shall furnish the Board a copy of its biennial budget requests and related data at the same time said requests are furnished to the Advisory Budget Commission. The Board shall review the institutional budget requests to determine whether the same are consistent with the primary purposes of the institution and with the functions and activities allocated to the institution by statute or by the Board. The Board shall concentrate on broad fiscal policy and avoid a line by line detailed review of budget requests. The Board shall advise~~

~~the-Advisory-Budget-Commission-and-the-institution-of-any budget-requests-inconsistent-with-the-purposes-and allocated-functions-and-activities.~~

~~(7)--Any-requests-of-an-institution-for-transfers-and-changes-as between-objects-and-items-in-the-approved-budget-of-such institution-and-involving-the-establishment-of-new educational-functions-or-activities-shall-be-submitted to-the-Board-of-Higher-Education-for-review-to-determine the-compatibility-of-the-request-with-the-assigned-functions of-the-respective-institution.~~

(7) (a) The Board shall participate in the process of preparing the State Government budget by providing advice and recommendations to the Director of the Budget, the Advisory Budget Commission, the General Assembly, and the Presidents.

(b) Each President shall furnish the Board a copy of such enrollment estimates as may be required by the Director of the Budget in the preparation of the State Government budget. The Board shall review the enrollment estimates for all institutions and report its findings and recommendations to the Director of the Budget and to the Presidents.

(c) Each President shall furnish the Board a copy of all statements and estimates submitted to the Director of the Budget as required by the Executive Budget Act of departments and agencies asking State aid. The form in which the statements and estimates for current operations

and capital improvements relating to new educational programs, functions and activities is presented shall be prescribed by the Director of the Budget with the advice of the Advisory Budget Commission and the Board. The Board shall review the statements and estimates submitted by the Presidents, with special emphasis on the requests for funding new educational programs, functions and activities. The Board shall report its findings, in a single comprehensive document, to the Director of the Budget, the Advisory Budget Commission, and the Presidents not less than thirty days prior to the time of such public hearings as the Director of the Budget and the Advisory Budget Commission may hold in connection with the preparation of the budget. The report of the Board shall identify each new educational program, function or activity for which funding has been requested by each institution and shall indicate, with such explanation as it deems appropriate, whether the specific program, function or activity is in accordance with the recommended long range plan referred to in subdivision (1) and the degree programs approved pursuant to subdivision (3). The report shall also contain such general advice in regard to the budget requests of the institutions as the Board considers to be of value to the Director of the Budget, the Advisory Budget Commission, and the General Assembly in the preparation of the State Government budget.

(8) No institution shall establish a branch campus or any other permanent or semi-permanent center at which instruction for course credit is given, at a location different from that of its main campus, unless and until approval to do so has been received from the Board.

~~(8)~~ (9) The Board shall possess such powers as are necessary and proper for the exercise of the foregoing specific powers, including the power to make ~~and enforce~~ such rules and regulations as may be necessary for effectuating the provisions of this article.

§ 116-159. Board's decisions limited by appropriations.--The exercise of the powers conferred on the Board and its decisions of an educational nature shall be made by the Board within the limits of appropriated funds and fiscal availability.

§ 116-160. ~~Hearings concerning proposed action~~ Relationships with Presidents.--(a) There shall be a Council of Presidents and Chancellors, which shall act in an advisory capacity to the Board through its Director. Said Council shall rotate its chairmanship annually and determine its rules of procedure. The views of the Council regarding agenda items before the Board or other matters concerning higher education may be expressed through its chairman or other Presidents who may desire to be heard at meetings of the Board.

(b) Before final action is taken by the Board in the exercise of powers conferred by § 116-158, each of the ~~p~~Presidents whose institutions would be directly affected ~~and such persons as they may designate~~, or their designated representatives, shall~~, upon request,~~ be given advance written notice of any

proposed action and be granted an opportunity to be heard concerning the such proposed action.

§ 116-161. Licensing of non-public educational institutions; regulation of degrees.--(a) No non-public educational institution created or established in this State after April 15, 1923, by any person, firm, organization, or corporation shall have power or authority to confer degrees upon any person except as provided in this section.

(b) The Board of Higher Education, under such standards as it shall establish, may issue its license to confer degrees in such form as it may prescribe to an a non-public educational institution established in the State after April 15, 1923, by any person, firm, organization, or corporation; but no non-public educational institution established in the State subsequent to that date shall be empowered to confer degrees unless it has income sufficient to maintain an adequate faculty and equipment sufficient to provide adequate means of instruction in the arts and sciences, or any other recognized field of learning or knowledge.

(c) All non-public educational institutions licensed under this section shall file such information with the Director of Higher Education as the Board of Higher Education may direct, and the said Board may evaluate any non-public educational institution applying for a license to confer degrees under this section. If any such non-public educational institution shall fail to maintain the required standards, the Board of Higher Education shall revoke its license to confer degrees, subject to a right of review of this decision in the manner provided in §§ 143-306 through 143-316 of the General Statutes.

(d) The State Board of Education shall have sole authority to administer and supervise, at the State level, the system of community colleges, technical

institutes, and industrial education centers provided in chapter 115A of the General Statutes, and shall regulate the granting of appropriate awards and marks of distinction by those institutions.

§ 116-162. Biennial reports.--The Board shall prepare and publish biennially a report to the Governor, the General Assembly, and ~~such~~ the institutions setting forth the progress, needs and recommendations of the Board.

§ 116-163. Office space; Director of Higher Education; review of actions of Director; other employees.--In order to effectuate the provisions of this article, the Board shall be furnished suitable quarters in Raleigh, and shall, subject to the approval of the Governor, appoint a full-time Director of Higher Education. The salary of the Director of Higher Education shall be fixed by the Governor subject to the approval of the Advisory Budget Commission. The Director of Higher Education shall have training and experience in the field of higher education and shall be well qualified to serve as the Director of a State System of Higher Education as contemplated by this article. The Director of Higher Education shall be responsible to the Board and shall perform such duties and exercise such powers as shall be prescribed by the Board. Any institution aggrieved by any action of the Director of Higher Education shall, upon request, be afforded an opportunity to be heard by the Board with respect thereto. The Director, with the approval of the Board, may appoint such advisory committees as may be deemed necessary or desirable. The Board shall, within the limits of funds provided by law, appoint such professional staff members as shall be sufficient to carry out the provisions of this article, whose salaries shall be fixed by the Governor subject to the approval of the Advisory Budget Commission, and such other necessary employees who shall be

subject to the provisions of article 2, chapter 143 of the General Statutes.

§ 116-164. Compensation and expenses of members.--Members of the Board shall receive no compensation for their services other than such per diem allowances and such allowance for travel expenses as shall be provided in each biennial Appropriation Act for such members.

§ 116-165. Necessary expenditures to be provided for in budget.--The necessary expenditures of the Board shall be provided for in a budget subject to the terms of article 1, chapter 143 of the General Statutes.

~~§-116-166.--Recommendations-concerning-employment-of-persons-by institutions-prohibited.--No-member-or-employee-of-the-Board-shall-make-any recommendation-concerning-the-prospective-employment-of-any-person-by-any-of such-institutions.~~

§ 116-~~167~~ 166. Control over institutions by boards of trustees.--The various boards of trustees of the institutions ~~of-higher-education~~ shall continue to exercise such control over the institutions as is provided by law, subject only to the ~~North-Carolina~~ Board ~~of-Higher-Education~~ within the limits of its jurisdiction as herein specified. It is not intended that the trustees of ~~such~~ the institutions shall be divested of any powers or initiative now ~~existing~~ with reference to the ~~internal~~ affairs of such institutions, except to the extent that same are affected by the Board's exercise of the powers and performance of the duties specified in this article.

ANALYSIS OF STATUTORY CHANGES PROPOSED BY MINORITY

The proposed statutory changes, as set forth in the Appendix, relate principally to the composition, powers, and procedures of the Board of Higher Education. They are as follows:

(1) Composition of the Board (G.S. 116-156)

The Board is presently composed of twenty-two members, including the Governor who serves as chairman. Nine members, including one from the State Board of Education, are appointed by the Governor. Six are ex officio members from the General Assembly, these being the chairmen of the committees on appropriations, finance and higher education in the Senate and House. The other six are selected by boards of trustees, four by trustees of Regional Universities and two by trustees of the University of North Carolina.

The number of ex officio members from the General Assembly would be reduced from six to two. The chairmen of the two Legislative committees on higher education would continue to have ex officio membership, but the chairmen of the Senate and House committees on appropriations and finance would cease to be members.

The number of members appointed by the Governor would be increased from nine to twelve, one of whom would be appointed from the membership of the State Board of Education. None of the gubernatorial appointees could be a trustee of an institution of higher education. Appointees of the Governor would be named to serve for six-year overlapping terms.

The number of trustee members on the Board would be increased from six to eight, and they would serve for staggered four-year terms. To insure a broader representation on the Board from trustees of the Regional Universities and the School of the Arts, the number of Board members selected by trustees of those institutions would be increased from four to five. To keep such increase from being disproportionate, the number of Board members selected by trustees of the University of North Carolina would be increased from two to three.

These changes would result in a Board composed of twenty-three members: the Governor and twelve members appointed by him, two ex officio members from the General Assembly, and eight members selected by trustees of the institutions.

(2) Powers of the Board (G.S. 116-158)

The recommended changes involved in this section relate principally to the Board's powers with respect to planning, program control, and budget review.

Under the proposed restatement of the Board's powers, the primary function of the Board would be "to plan and promote a coordinated system of higher education in the State." To this end, the Board would prepare, and from time to time revise, a recommended long range plan for such a system. The Board would also give advice and recommendations concerning higher education to the Governor, the General Assembly, the Advisory Budget Commission, and the boards of trustees of the institutions.

In the area of program control, the proposed restatement of the Board's powers would provide that no institution could request funding for, or offer instruction in, any degree program (whether at the bachelor's, master's, doctor's, or post-baccalaureate professional level), not previously offered by such institution, without approval from the Board. In deciding whether to give any such approval, the Board would be required to follow the principle that there should be "a careful limitation" on the entry into doctoral and post-baccalaureate professional education by institutions not previously engaged therein, on the entry into education at the master's level by institutions not previously engaged therein, and on the offering by an institution of any master's, doctor's or post-baccalaureate professional degree program not previously offered by such institution.

The Board would have two additional powers with respect to programs and activities of the institutions. It could recommend to the board of trustees of an institution the discontinuance, on at least one year's notice, of any degree program of such institution not consistent with the Board's recommended long range plan for higher education. No institution could establish a branch campus or other center at which instruction for course credit is given, at a location away from its main campus, without approval from the Board.

With respect to budget review, the proposed restatement of the Board's powers would cover three areas. First, provision would be made for the Board's participation in the process of preparing the State budget by giving advice and recommendations to the Director of the Budget, the Advisory Budget Commission, the General Assembly, and the Presidents of the institutions. Second, each President would furnish the Board a copy of any enrollment estimates required by the Director of the Budget, whereupon the Board would review such estimates for all the institutions and report its findings and recommendations to the Director of the Budget and the Presidents. Third, each President would furnish the Board a copy of all budget statements and estimates required to be submitted to the Director of the Budget, whereupon the Board would review such statements and estimates, with special emphasis on requests for funding new educational programs and activities, and would report its findings, in a single comprehensive document, to the Director of the Budget, the Advisory Budget Commission, and the Presidents prior to any public budget hearings. The latter report of the Board would identify each new educational program or activity for which funding is requested and would indicate,

with any explanation deemed appropriate, whether such program or activity accords with the Board's recommended long range plan and the degree programs approved by the Board. Such report would also contain such general advice in regard to the budget requests of the institutions as the Board considers to be of value to the interested parties.

(3) Procedures of the Board (G.S. 116-160 & 116-158)

The recommended changes in the Board's procedures are designed to accomplish two purposes. One is to give the Presidents of the institutions a larger measure of participation in the affairs of the Board. The other is to make the relations of the Board and its staff with the Presidents more harmonious.

In its existing form, G.S. 116-160 provides that the Presidents shall, upon request, be granted an opportunity to be heard concerning a proposed action before final action is taken by the Board. However, no provision is now made for notice to the Presidents concerning such proposed actions. This would be rectified by adding a new provision requiring that each of the Presidents whose institutions would be directly affected be given advance written notice of any proposed action by the Board.

G.S. 116-160 would be further modified by adding a new subsection giving statutory recognition to a Council of Presidents and Chancellors, which would act in an advisory capacity to the Board through its Director. Under the provisions of this new subsection, the views of the Council regarding agenda items before the Board or other matters concerning higher education could be expressed through its chairman or other Presidents who might desire to be heard at meetings of the Board.

Reference has been made to a proposed new provision in G.S. 116-158 which would require the Board to prepare and keep up-to-date a recommended long range plan for higher education. Included therein would be a requirement that preparation and revision of such plan be accomplished in consultation with the Presidents.

There is now contained in G.S. 116-158 a provision authorizing the Board to cause visits to be made to the institutions. This would be modified by requiring that visits to, or communications with, the institutions be made through the Presidents or their designated representatives.

(4) Other Changes

G.S. 116-166 prohibits members or employees of the Board from making any recommendation concerning the prospective employment of any person by any of the institutions. It is proposed that this section be deleted.

A number of editorial changes in the statutes relating to the Board are also proposed. One relates to changes in the definitions of terms used in these statutes, the principal such change being the proposed elimination of the term "senior colleges" which would be replaced by references to the Regional Universities. Other editorial changes are proposed for the purpose of clarifying and up-dating the language of these statutes.